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The Nation's Business

Euler Keeps Up His Good Work
Reviews His Efforts
Why Not Mond Nickel for Canada?
Canada's Share of Migrant Flow

VARIOUS collectors of customs and excise taxes report that as the month of May closed there was a last minute rush to pay sales taxes and avoid the recent penalties imposed. Business men appreciate now that Hon. W. D. Euler's intention of correcting the evils of looseness in sales tax collection is a most serious one and that his campaign to bring defaulters to book will be most thorough and aggressive.

When The Financial Post exposed the serious condition of affairs existing in the sales tax branch at Ottawa and indicated that the government was losing enormous sums through its failure to enforce prompt payment of sales tax, Mr. Euler was very quick to take action to end the situation. It is becoming increasingly apparent that his action will add considerably to the governmental revenues and tend to put honest and the conscientious and the business men and the would-be defaulters on a more even basis.

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IN HIS speech in Kitchener this week, Mr. Euler gave some very gratifying information as to the efforts now actively being prosecuted in his department to improve the system of tax collections. When it is realized that practically all of Canada's revenue is collected under Mr. Euler's jurisdiction and that his staff of 5,000 people handle some $300,000,000 a year, it will be appreciated that his work of cleaning up the department and putting it on a business basis is an accomplishment of immense national import.

Mr. Euler in his address promised complete collection of sales tax arrears. On this subject, he said:

"Unfortunately, it is true that the sales tax is over four million dollars in arrears. Some two thousand business firms were in arrears six months ago. This number has been reduced to about 1,500 and is lessening rapidly. Of the amount outstanding two millions is owing by the breweries and distilleries, part of which is in dispute and in the courts. Every dollar owing will be collected. Our auditors are now preparing to make demand, and if necessary, to take legal action.

"It will be naturally asked why does not the department take legal action to collect all these old arrears. May I say that 519 cases are now in the hands of the law branch, 326 firms are in liquidation, and the balance of 76 are being collected as rapidly as possible.

"Unfortunately, it is found that in cases where a large amount is still due the enforcement of the decision of the court would send these firms into bankruptcy, and the department would receive very little, if anything. In these cases it has been thought wise to nurse the accounts in the interest of the revenue of the country. Where a claim is made that a business would be forced to bankruptcy the department sends its auditor to make an investigation, and if the claim of inability to pay is well founded we make the best arrangement possible for payment, by instalments. While this is necessary, the department has taken such steps as will make any further addition to the arrears impossible. Also from June 1, 8 per cent. interest will be charged in all overdue sales tax. Every collector now has instructions to see that payment is made promptly, failing which the matter will be taken to the courts. I feel that in this matter the department should have the support of all business men. Under the practice at present, the man who paid his taxes promptly was brought into unfair competition with his competitor who declined to pay his."

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IN THE sensational advance of International Nickel, it has been forgotten by most people that the Sudbury area has another large nickel-copper mine in the properties of the Mond Nickel. This company is British controlled and its shares are selling on the London Stock Exchange to yield four times the return now given for International Nickel. There is good reason to believe that prospects are equally good for both companies.

It should prove profitable for some brokerage or banking group to arrange for listing Mond shares in Canada. With our habit of discounting the future of a greater degree than the English investor does, the shares should show substantial rise in Canada. The chief advantage would be to give Canadian investors access to another great Canadian mining stock.

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CANADA'S immigration figures look better when the totals are compared with the total migration from Europe than when compared with our pre-war totals.

In 1922 British North America (chiefly Canada) drew 9.7 per cent of the migrants from Europe. In 1923 we drew 13.0 per cent. In 1924 we drew 16.4. The figures are those of the League of Nations, and have

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STEEL'S STORE CHAIN NOT YET TROUBLE FREE

System Shows Loss for 1926 After Charging Depreciation on Inventory

MANAGERS HOPEFUL

Expect 1926 to Show Profit Because Ottawa Store Has Been Closed and Other Economies Effected

Steel's Consolidated, which operates about 50 five-cent to $1 stores in Canada and the United States, had a net loss in the fiscal year ended December 31, 1926. Although no income account is available for publication along with the balance sheet, a net loss of $12,608 is shown by substracting the total of the corporate surplus as shown in the 1926 sheet, from the total shown in the 1925 report.

In other respects, the balance sheet for 1926 does not reveal any betterment over the previous year, but it is said that there has been actually a material improvement in that inventories, store fixtures, etc., have been written down to a very conservative valuation. This valuation was arrived at, it is said, at the instance of the auditors. The directors of the company readily concurred.

Reduce Inventory Values

Current assets were shown at $1,089,265 in the 1925 balance sheet and at $966,186 in the later balance sheet. There is a reduction of $79,000 in the valuation of goods on hand. Bills receivable are up from $13,818 to $20,977.

Under fixed assets, the balance sheet values lands and buildings at $2,671,312 as "net after depreciation and amortization." In the 1925 balance sheet this item amounted to $2,299,943, net, "prior to revaluation of properties." Apparently there was a revaluation of the various properties in the course of the year which resulted in the enhanced values. Furniture and fixtures are shown at $741,760, compared with $757,735 the year previously. Valuation of leaseholds and improvements has been dropped from $492,957 to $486,112.

Investments in subsidiaries, including the late L. R. Steel's venture into coal mining and farm produce, are shown at $982,351 in the latest balance sheet, compared with $998,565 the previous year. The grand total of assets is given at $7,132,084, which includes $982,352 for goodwill and organization.

On the liabilities side of the sheet, it is shown that current obligations have been increased from $707,561 in 1925 to $788,533 in 1926. Trade accounts payable have increased from $422,532 to $514,137. Secured bankers' loans have increased from $85,000 to $175,000, but unsecured loans have been reduced from $149,500 to $43,500.

Capital Surplus Lower

The capital surplus is shown at $876,985, compared with $989,593 the previous year. Of the issue of first mortgage refunding and improvement bonds which has been more or less in the market for a year or two, a total of $248,400 has been subscribed, of which $51,903 is listed among the receivables. The 1929 convertible debentures total $371,150. The preferred stock totals $3,127,420, the class A stock totals $699,760. There is, in addition, 249,000 shares of common or Class B. stock of no-par value.

Improvement is Claimed

This balance sheet in itself does not reveal a very healthful state of affairs and on this evidence alone, it would be asserted that the chances of ultimate success for the company are exceedingly remote. But the men who organized the shareholders' protective trust to rescue the chain stores from the American receivership which would have resulted in complete disappearance of the Steel chain, are hopeful of the future.

There is no doubt that these men, some of whom had little or no experience in chain-store organizations, were faced with very serious problems when at last the courts discharged the property from the care of the receivers and their subordinates. The organization, it was early evident, was entirely too large for the capital with which the new company had to work.

Close Some Stores

In the intervening two or three years, the American and Canadian officers have been consolidating an organization that was of mushroom growth in unhealthful circumstances. Although the 1926 balance sheet is proof that all the problems of merchandising and of financing are not solved, it asserted that the current year has begun satisfactorily and that, for April, a real profit is shown. The remaining months of the current year, as probably the best of the merchandising seasons for the classes of goods purveyed by this company, should result in an actual profit.

Some stores have been closed. The Ottawa store, where there was an operating deficit of $15,000 last year, has been sold. The location, it is said,

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"Clean Up" in Revenue Department Adds Millions to Receipts

Some High-lights From Kitchener Address of Hon. W. D. Euler, Minister of National Revenue

"I shall be very much disappointed if for the present year our collections of taxes will not amount to twenty-five or thirty million dollars more than the year before."

"We are going to make the life of the commercial smuggler so uncomfortable it will not be worth while for many of them to continue."

"Our prime purpose is to stop commercial smuggling, which has done so much not only to rob the national treasury, but to deal a heavy blow to legitimate business in Canada."

"The practice of under-valuation causes fully as great loss as smuggling. We are now organizing an expert staff of appraisers who will operate in all parts of the country training our staff in the correct appraisal of merchandise."

"Every collector now has instructions that sales tax must be paid promptly."

"The income tax branch is also in arrears but steps will be taken to collect this promptly."

IMMIGRATION YEAR MAY PROVE FIASCO

Immigration Department Frowns on Further Colonization Efforts as Result of Bad Weather Conditions in West

What promises to be one of the best immigration seasons for a number of years, now is in danger of turning into a fiasco.

In the first quarter of the current years, the number of settlers brought out by the various immigration and colonization associations reached a number far in excess of those brought out in the same period last year. Under new arrangements entered into between the transportation interests the Department of Immigration and Colonization, immigrants were placed directly on farms where jobs had already been secured for them. All went well for the time being but with the excessive rainfall of the past three months, farmers in the west have found that they cannot get on the land. Moreover, they have had to curtail part of their operations, with the result they do not want any additional help. Although they signed to take on helpers for service up to one year, the applicants for labor have lately refused to accept the men brought out by the railways.

Immigrants Turning to Cities

Thus those settlers arriving in the west in the last two or three weeks have been forced to turn to the cities for work. This defeats the purpose of the agreement drawn up by the government and the railway interest. The labor bureau at Edmonton, Regina, Calgary, Winnipeg, Saskatoon, and other western points, have been deluged with applicants for work by these newcomers. Consequently the market for common labor has been swamped and the situation has become so acute, that it is understood the Department of Immigration and Colonization in the last few days has intimated to the colonization departments of the two railways, that they will discourage any further immigration of agricultural workers to Canada until the present supply of floating labor is absorbed.

Far Reaching Consequences

The consequences arising out of this ukase are far reaching and of the utmost importance. The Canadian Pacific Railway, it is understood, has already curtailed its activities and they are further faced with the necessity of finding some means of handling the immigrants that arrived in Quebec and Montreal on their boats in the last few days, as well as making arrangements for the return of some already on the high seas.

The financial loss, not only to the Canadian Pacific but to the Canadian National and other immigration and colonization organizations, can be readily imagined. If the steamship companies are forced to return those immigrants who arrived in the last few days or are on their way over, to their port of embarkation, it will cost them several hundred thousands of dollars, if not millions. Moreover, the elaborate system of handling immigrants, which has been built up at enormous expense and labor in the past three weeks, will be discontinued for the time being, with the result that when the time comes when the movement of immigrants can be resumed, a new staff will have to be built.

Affect Colonization Boards

There is also another phase of the question which has to be considered. During 1925 and 1926, a number of colonization boards were formed in

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Caution is Required in Selecting Investments, Particularly Under Existing Conditions of Market

By J. GEORGE JOHNSTON.

Caution is an excellent watchword for dealings in the stock market at any time. This does not mean that those who plunge do not occasionally, perhaps frequently, do very well in their speculating, but the investor who wishes not to violate the principles of conservatism requires never to commit himself so far that he cannot liquidate quickly. Frozen assets so frequently are not assets when assets are needed most.

"We have never before," says Col. Leonard P. Ayres of Cleveland, in a recent bulletin, "experienced a long period of prosperity during which the general level of commodity prices persisted in declining." This means, according to this authority's interpretation, that there is a slight overproduction of commodities in the United States, which has created a buyers' market. The sellers are having to sell more cheaply. When they sell more cheaply they must produce more cheaply. The producer who is not operating at the peak of efficiency is sure to drop behind.

Need for Selection

Investment in companies which are dropping behind is certain to be unsatisfactory. Thus the need for caution. Thus the need for selection.

Until a few days ago it was widely believed that the general level of prices on the New York stock exchange was higher than it had been in years. The reason for this belief was that the graphs published by many concerns take into account largely the leaders in each line of endeavor. The official stock exchange index considers every listed stock. The official list shows the average level to be lower now than a few months ago.

This fact bears out the theory of one of the leading Canadian brokers that what he calls the top notchers in industry, and in other lines of investment, will continue to improve in investment value. The others will probably not only continue to get relatively worse but, in the case of some companies, are likely to drop from their present values.

Business conditions in the United States are spotty. While the hope, even the belief, frequently has been expressed that Canada will become increasingly independent of economic conditions in the United States, conditions across the border are certain to reflect themselves, to a greater or less extent, in Canada.

Danger in Overproduction

Thus it behoves the investor to choose carefully what he will buy. The general level of prosperity in Canada is higher now than at any period since the post-war deflation. Money is plentiful for the stock market and for commerce because retailers and jobbers are not carrying large stocks. Interest rates are declining. Immigrants are more numerous. Development in the mining areas and elsewhere is at a high peak.

The danger lies in overproduction. If there is overproduction, factories must either be closed or operated at a loss. Factories operating at a loss brings a condition which must speedily be reflected in lower stock-market prices. For this reason it is imperative, if the investor would avoid loss, that he leave himself in a liquid position and study carefully the probabilities of improvement in markets for the companies in which he has his money.

What of Canada?

The foregoing observations apply to the market considered without regard to the international boundary, just as if one set of conditions pre-

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Warning is Sounded Regarding Newsprint Situation in Canada

Sounds Warning Note

HUBERT BIERMANS, builder of Belgo Paper Company, who sees four years of overproduction in newsprint.

H. Biermans, Former Belgo President, Forecasts Four Year Over-Production

15-20% SURPLUS

Will Take Some Years to Catch Up to Productive Capacity — European Situation

From Our Own Correspondent.

MONTREAL.—In an exclusive interview with The Financial Post, Hubert Biermans, the well-known Belgian financier and former president of the Belgo Canadian Paper Company, said that in his opinion it would be at least four years before the consumption of newsprint paper on this continent catches up with the productive capacity of the present and projected mills.

In speaking on the newsprint situation, Mr. Biermans speaks with authority as the old investors in Belgo shares have had cause to know. Thus, should the present overproduction situation continue for as long a period as Mr. Biermans forecasts, the rumors in circulation indicating increased prices shortly for newsprint securities seem ill-timed.

Continuing Mr. Biermans stated to your correspondent:

"With the newsprint machines not operating, or operating at below capacity, and with the further new machines to be installed, the total capacities of the North American newsprint mills are to be increased by about 20 per cent.—or the equivalent of 700,000 tons annually.

Will Take Four Years

"To absorb this large increase will take, I think, about four, or perhaps more, years; provided of course that no further new projects are undertaken in the meantime.

"While there was an increase in the consumption on this continent of about 14 per cent. last year, none but the greatest optimists will predict similar increases in the future. The average increase in the rate of consumption will, in the future, probably be much as it has been in the past, namely from 4 to 6 per cent. per annum. Thus for the coming year, or years, we can reasonably anticipate material reductions in the earnings of practically all the newsprint companies."

Questioned regarding the possibility of the Canadian mills obtaining wider markets overseas, Mr. Biermans said that markets such as Australia were small and at best could absorb only a fraction of the surplus capacities of the mills. In the Australasian, Oriental and British markets the Canadian mills would have to sell at a price below that prevailing on this continent and that these markets could only be used as a dumping ground to absorb at reduced prices a marginal proportion of the output of the Canadian mills.

Use Low Grade Paper

"In France, Belgium and Germany the newspapers use a much lower grade of newsprint than that turned out by the mills of the Dominion," declared Mr. Biermans, "and thus continental markets are of no interest to Canadian newsprint producers."

The views of Mr. Biermans as expressed to The Post clearly indicate that in his opinion the industry as a whole is to pass through trying times, but that as long as prices are maintained at their present levels the mills will be able to turn out profit

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Canadian Brokers Coined $41,157.60 on Nickel Trades

Canadian brokers made $41,157.60 in commissions in International Nickel stock in the Monday sessions of Canadian stock exchanges. The New York market was closed owing to the American holdiday, Memorial day, and there were thousands of shares purchased in Canada for customers of New York brokers.

Nickel achieved a record for the Toronto exchange in number of shares traded in any one stock in one day, the total being 42,681 shares. The commission each way on Nickel is twenty cents the share. While the total of the commission is a respectable sum, the amount accruing to any one broker brobably was no great amount. Nearly all the brokers on the floor participated in the trading in this stock.

Montreal curb trading in this stock more than equalled Toronto, the total being 47,470 shares. The mining exchange, Toronto saw trading to the amount of 12,743 shares bringing the total "OK" trading to "I. N." trading to 102,894 shares. This stock is not traded on the Big Board Montreal.

Ogilvy's Store Changes Hands?

From Our Own Correspondent.

MONTREAL.—It is understood that a prominent Montreal financier is to acquire, or has already purchased, James A. Ogilvy's, Limited, a large department store in this city located at the corner of Ste. Catherine and Mountain streets.

The property is owned by the Ogilvy Realty Corporation which has an issue of bonds in the hands of investors. The issue was made at the close of 1922 and consisted of $800,000, 6½ per cent, 30 year, sinking fund bonds maturing in 1952. Sale of the store would not affect the Realty Company.

The security for the issue consists of the land and buildings and the earnings to meet bond interest come from the annual payments made under the terms of the lease which expires after the maturity date of the bonds.

It is not known whether the new interests, which propose to acquire the property, are dealing with James A. Ogilvy, Limited, which leases the property, or with the Ogilvie Realty Corporation Limited, the owners of the land and buildings.

Page-Hersey Earnings At the Rate of $10 a Share

It is reported that Page-Hersey Tubes, Ltd., is earning at the rate of about $10 the share on its common stock. The stock has been selling above 70 on the basis of a $3 dividend. The preferred, which, until 1932, is convertible two for one, is selling at around $145.

The prospects for Page-Hersey a year ago predicted earnings of $6.60 the share. The report for the first six months on cursory examination was somewhat disappointing in some quarters until it was discovered that the report, which showed earnings of $4.98 the share, actually dealt only with the parent company, while the subsidiaries were known to be doing very well on their own account.

The company manufactures steel tubes and pipes. Its markets are growing in Canada and the foreign demand, contrary to recent reports, remains at a high peak.

C. N. R. Building Big Depot

Construction work is being started immediately on the half-million dollar depot to be erected in Edmonton by the Canadian National Railway, Edmonton.

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Western Agricultural Situation Difficult to Judge Properly
Railway Earnings Continue to Reflect Good Business
Industrial Production Moving Along Favorable Lines
Employment at Beginning of May Highest in Years

SO MANY conflicting reports on the crop situation have been emanating from the West that it is difficult to determine with any degree of accuracy how much delay has been caused to seeding by recent rains and to what extent acreage will be curtailed. In other years, there has been the usual crop of rumors, both bearish and bullish, and the final returns of the crop have been unlike those prophesied earlier in the season. This year is no different. While there is probably too much rainfall, the area sown to wheat and other grains will in all likelihood be curtailed but not as much as forty per cent., as given in one "bearish" report circulated in the United States.

It is not worth while endeavoring to estimate acreage until all reports are in. Past years have shown that when conditions have appeared most adverse early in the season, the wonderful recuperative powers of the prairie soil has brought the crop through in good shape. Thus any undue apprehension in regard to this year's crop outlook, based on preliminary reports, is somewhat premature. There are reasons for believing that the season is not so backward as is generally supposed, and forthcoming reports are expected to be more favorable.

Business Unaffected

There have been no outward indications that trade or business has been affected by the backward agricultural season. From the standpoint of purchasing power, the farmers, both in Eastern and Western Canada, are in a sound position. Merchandise is moving freely in rural sections and collections are being made with promptitude. Farm implement companies have been enjoying exceptionally good sales during the past month or two and they report that in many instances deliveries are being made on cash basis.

Railway companies are generally the first to reflect any uneasiness in the agricultural situation. Recent reports of both the Canadian Pacific and Canadian National have been favorable. Although last year set many new records for railway transportation, both in earnings and traffic moved, the first four months of the current year have shown better results than for the corresponding period of 1926. The Canadian Pacific, for example, reported increased gross earnings for April, while net was the highest for any April since 1921. Cumulative figures for the four months ended April last are equally good. The same situation exists as regards the Canadian National and provided that crop returns this year are not below average, railways' earnings should equal or supersede existing records.

Revenue Freight Well Maintained

Revenue freight loadings during recent weeks have maintained at a consistent rate, although the movement in the week of May 21, showed some recession due to the decrease in grains on account of weather conditions. Distribution of merchandise, however, is continuing along good lines, indicating that consumption is not falling off. While buying for immediate needs only, is still, the general rule among merchants, the aggregate volume of orders is comparable to that of the boom conditions immediately following upon the closing of the war. With consumption keeping pace with purchases, there is little likelihood of excess production for some little time.

Industrial production has shown no change for some time, the majority of plants are operating at high capacity. Some lines, notably pulp and paper, have curtailed production. In this particular instance, demand has not shown any marked recession, rather has there been too rapid expansion of production facilities. Flour milling has shown more signs of activity on account of several large orders from the Orient. The Eastern mills are running on a small output as the European market has been somewhat slow in the past several weeks.

Iron and Steel in Demand

The iron and steel and allied industries have been making good headway, primary output during March being the highest recorded for some time. This is particularly significant in view of the fact that last year when the automobile and construction industries were setting new records, production of iron and steel did not advance in proportion. This year the mills have been stepping up production and despite heavier importations, it is likely that production will exceed the average of the past five years. The automobile and construction industries, of course, have shown no signs of recession in activity. Recent figures show that the former is well on the way to producing more motor vehicles in 1927 than ever before. Moreover, this is being done without any notable increase in foreign demand.

Employment Situation Good

All this steadily maintained activity in commerce and industry, is reflected in the employment returns. At the beginning of May, there was a decidedly upward movement in employment, the expansion being the largest indicated on that date in any year since the record was begun eight years ago. Manufacturing, construction and transportation recorded the most pronounced improvement, but large gains were also noted in trade, services and communication. On the other hand, there was seasonal curtailment in logging. Heightened activity was reported in all provinces, but Quebec and Ontario registered the largest increases.

According to the Bureau of Statistics' report there were over 830,000 persons employed in Canada at the beginning of last month, an increase of 36,704 over the number reported at the beginning of April. As a consequence, the index number of employment advanced from 96.2 to 100.6. The previous high for the index on May 1, was 94.3, recorded for 1926.

Judging from the trend in previous years, the volume of employment should continue upward for the next five months, reaching its height during the harvest time. At one time last year, October, the level was over 6 per cent. above the base of January, 1920. From present indications, it is likely that that point will be reached within the next three months. In any event, the average volume of employment over the whole year should be greater than it was last year.

Maritime Tel. and Tel. Sells Stock to Employees

From Our Own Correspondent.

MONTREAL.—The Maritime Telegraph and Telephone Company is to have a larger employee interest in its shares. A block of 5,000 shares of common stock has been set aside for sale to the employees at par, and a plan has been worked out whereby these shares can be purchased by monthly deductions from the salaries of the employees.

The company's decision to offer its shares to its employees is a policy which has been adopted by many other public utility companies—especially the bigger companies operating in central Canada.

It is estimated that 400,000 horse-power of new electrical development will be completed in 1927 in Canada and that the further work which is practically assured will aggregate some 1,900,000 horse-power in three or four years time.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest This Year	Latest Last Year	To Date This Year	To Date Last Year
Production—				
Pig iron, tons (April)	77,240	67,607	255,289	227,248
Steel, tons, (April)	109,107	79,936	330,659	260,394
Newsprint cwts. (April)	166,460	151,739	654,264	581,183
Automobiles (April)	24,611	21,502	81,892	78,193
Boots and shoes, pair (March)	1,787,581	1,686,665	4,705,686	4,208,075
Flour, bbls. (Jan.)	1,496,000	1,422,000	1,496,000	1,422,000
Construction—				
Contracts awarded (April)	$38,582,300	$37,292,000	$92,336,700	$83,218,000
Building permits (April)	$18,512,196	$19,044,499	$43,366,274	$41,538,078
Labor—Employment index (May)	100.6	94.3	....	....
Transportation—				
Car loadings (to May 21)	61,536	63,699	1,211,091	1,119,459
C.P.R. gross (April)	$15,121,289	$13,856,101	$58,357,298	$54,201,059
C.P.R. net (April)	2,253,588	2,149,639	8,716,216	8,680,706
C.N.R. gross (April)	$21,776,705	$20,278,871	$84,289,166	$79,325,976
C.N.R. net (April)	2,810,833	2,735,613	10,654,464	10,200,928
Population—				
Emigration (Mar.)	4,981	6,993	15,291	21,298
Immigration (March)	20,271	15,229	29,956	21,949
Trade—(April)—				
Imports	$74,297,628	$67,801,253	$338,427,091	$309,380,122
Exports	$77,337,964	$60,166,868	$345,571,370	$394,824,744
Imports of key products (Feb.)—				
Rubber, lbs.	5,869,000	4,901,000	4,336,000	4,901,000
Cotton, lbs.	12,278,000	19,209,000	21,278,207	19,209,000
Sugar, $	2,427,990	1,309,609	2,427,990	1,309,609
Petroleum, gal.	31,052,000	38,332,000	52,222,000	38,332,000
Coal, tons (Feb.)	1,706,237	1,120,487	3,269,233	2,329,748
Exports of key products (Feb.)—				
Newsprint, (cwt.)	145,263	128,964	304,129	272,003
Automobiles (pass.) (No.) (Mar.)	6,512	8,033	15,405	17,729
Wheat, bus. (April)	20,181,762	5,525,540	60,569,380	47,532,090
Wheat Flour, bbl.	415,209	681,777	2,966,502	3,542,281
Finance—				
Failures, number, (Mar.)	163	136	497	464
Failures, liabilities, (Mar.)	1,993,679	1,715,862	$8,095,140	$9,552,197
Bank debits (Mar.)	$2,600,367,571	$2,309,312,348	$7,512,444,519	$6,808,532,270
Bond sales (May 7)	167,619,782	290,263,037		
Stock prices index (May 21)	....	....	321.0	164.1
Insurance sales (April)	$41,631,000	$37,346,000	$157,025,000	$146,480,000
Wholesale prices (1913-100))—				
General index (April)	....	....	148.5	160.2
Pig iron	....	....	143.7	145.00
Cotton	....	....	117.0	156.9
Grains	....	....	161.6	170.2
Cattle	....	....	122.4	106.4
Rubber	....	....	65.2	78.8

"Making Posterity Pay" is Economic Fallacy, Says Hartley Withers

By HARTLEY WITHERS, World Famous Economist,
Copyright, The Financial Post, 1927.

It is a common belief that we can, by financial devices (the most obvious of which consists in paying for things out of borrowed money) make posterity pay for goods and services that we must use or destroy. In war time this belief was rampant and was often used as an argument by politicians who were afraid to tax, and by taxpayers who did not want to pay taxes, in favor of the system of paying for the war out of borrowed money. It was contended that the descendants of the combatants would benefit by the victory which all the warring powers thought they were going to win, and that since posterity was going to benefit, it was only fair that posterity should pay its due share of the cost of the struggle. This argument was so convincing, in conjunction with the excuses which are always handy for those who want to escape imposing and paying taxation, that the late war, in spite of the alleged progress of economic education in the course of the last half-century, was one of the worst-financed on record. Even in England, where from the very beginning we made efforts in taxation which were described by our enemies as heroic, we paid for a much smaller proportion of the war's cost out of revenue than our ancestors had met during the Napoleonic and Crimean wars.

British Suggest Plans

The argument has lately been revived by the supporters of an ingenious proposal for dealing with the British war debt, by converting it into 3 per cent. loan, redeemable at some remote date at 20 per cent. premium. The contention is that thereby the immediate charge involved by the debt will be reduced through the lowering of the interest rate, and that the big premium on redemption—the lump of sugar some day, which is to compensate the debt-holder for present loss of interest and so induce him to agree to the scheme—will be left to posterity to provide.

It is all very ingenious, but a moment's reflection will convince most people that no financial jugglery that can be invented will ever compel posterity to pay anything to us now, which is what we are really trying to do. The idea that we, by borrowing money to pay for part of the war's cost, threw that part of the cost on to the shoulders of posterity, was a pure delusion. Somebody has to pay for the war while it is happening and that somebody is either the taxpayer or the subscriber to government loans, in so far as the war is paid for out of genuinely saved money, or the consumer who is fleeced by high prices, if the war is paid for out of money created by inflationary methods. The goods needed for war have to be produced while it is in progress—nobody suggests that victory can be won by shells and aeroplanes which posterity is going to create some day—and they will not be produced unless the money is ready, there and then, to pay for them.

Fallacy of Argument

The only effect of leaving a war debt for posterity to meet is that posterity will have to make certain transfers among its own members. Whatever it produces, it will itself consume or invest in capital expenditure. The sole effect on its consumption will be that its distribution will be affected, by the fact that the tax-payers who will meet the debt charge will consume less, while the debt-holders who receive interest will consume more, and as the debt is paid off will have money to reinvest.

If the debt is internal, there is no diminution in the national income owing to these transfers. What the tax-payers lose on the swings the debt-holders, who are members of the same community, will gain on the roundabouts, less the cost of administering and distributing the debt charge which will be consumed by the responsible officials who are paid to do the work. If the debt is raised abroad, the debtor nation's annual consuming power is reduced by the charge for interest and redemption and so it seems at first sight that here we really succeed in making posterity pay. But this is not so, if we regard posterity as a whole; for it is evident that the posterity of the debtor nation merely transfers buying power to that of the creditor nation, and so the real income of the world remains unaffected, though the financial relations of the nations which compose it will be influenced very materially.

An obvious example will occur to all of us. America demands that England and Europe shall pay such portions of their war debts to her which a process of composition, highly favorable to the debtors, has left outstanding. Many people in Europe and some in England are cross with America about this demand, although it has always seemed to me to be highly reasonable; but the point which concerns us for the moment is the fact that in future years part of the consuming power of Europe and England will be transferred to the people of the United States, so that the total income of posterity will not be affected, but only its distribution.

Carries Big Problems

This redistribution of income, though it does not affect the total, carries with it social and political problems which are apt to be inconvenient to those in authority, especially at a time when a good many people are inclined to be critical concerning the whole question of inherited wealth.

Going back to the ingenious proposal for "making posterity pay" a larger share of the British war debt by the conversion scheme outlined above, we see that it would, if adopted, make no difference to the income of the present, or of posterity, but a considerable difference to its distribution. To-day tax-payers would pay less and debt-holders would receive less: some day when the big premium on redemption has to be faced, tax-payers will pay more and debt-holders will receive more. Instead of making posterity pay more, the champions of the scheme, if they succeed in procuring its adoption, will have only relieved for the time the problem of transfer involved by the existence of debt and will have made it much more acute for posterity. Whether the present is justified in thus shuffling off an awkward responsibility and laying it on the shoulders of posterity, is another question.

Gatineau Power Starts First Farmers Generator

From Our Own Correspondent.

MONTREAL.—The first unit of the Farmers power house of the Gatineau Power Company is now turning over. As soon as the tuning up process is completed, the unit will commence supplying power on the company's lines. The Farmers power house is one of three which the Gatineau Power Company is building on the Gatineau river; the other plants are located at Chelsea, a mile upstream, and at Paugam, 27 miles above Farmers.

Two units at the Chelsea power house are in operation and are supplying power to the Gatineau mill of the Canadian International Paper Company. The Chelsea and Farmers developments are within seven miles of Ottawa.

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Mackenzie Williams' Final Article Shows Place of Trust in Canada

Eighteenth and Final Article of a Series on Investment Trusts and Their Place in Canada

By MACKENZIE WILLIAMS. Copyright, 1927.

In 1930, the investment trust will have been in operation in Great Britain seventy years. There it has become a respected powerful and venerable institution. It is recognized as one of the four great pillars supporting Britain's commerce and a powerful factor in her leadership in world trade. The present perfection of form and method have been achieved as the result of the hard blows of experience during seven decades.

Throughout its history, the greatest testing time for the investment trust and for the present accepted principles and practices of operation was, probably, during the recent World War. The astonishing way in which the investment trust surmounted the difficulties of that trying time has been pointed out in previous sections. It is sufficient here to repeat that there was scarcely a tremor disturbing the smoothness of its operation. Many trusts went through that period with dividends but slightly and only temporarily affected. The average dividends paid at the close of the war were higher than in 1913. It was due to this remarkable demonstration of soundness, strength and stability and due to the observation of the far reaching effect on Britain's foreign trade that the attention of students of finance on this continent was first attracted to the investment trust.

In Swaddling Clothes Here

In Canada and the United States, the investment trust is still in swaddling clothes. Undoubtedly, many of the errors and mistakes which characterized the early period in England and Scotland will be repeated by those making only superficial examination of the historical development or evolution of the investment trust. Close students are likely to recognize and avoid the pitfalls and profit by the priceless experience and resulting traditions of British trusts. They need not repeat those early costly errors which were afterwards eliminated. For this reason, it will be well for the Canadian investor to confine his attention to the securities of those investment trusts which conform closely to the successful type, the distinguishing features of which have been clearly pictured in preceding articles.

It was shown that the trust thrives best where there is a combination of conditions suitable for its development. It was demonstrated that the favorable factors are present in Canada in an unusually good measure; that Canadians possess great national wealth; have great productive capacity and have, therefore, reasonably large surplus funds. It has been shown that Canadians have proven their wide interest in and great capacity for investment. It was shown that Canada's per capita foreign trade had surpassed the trade of all outstanding countries and that with her 9,000,000 or 10,000,000 population, she had developed trade which equalled the foreign trade of the United States when that country had a population of 76,000,000. These are a few of the favorable conditions which provide in Canada the suitable soil for the development of the investment trust.

Service Rendered by Trusts

For Canada, the investment trust is a new institution. As in Great Britain, it may be expected to perform services in the promotion of foreign trade and in the cementing of international relations which will be equally important. Ranking close to this in importance is the service to the private investor. As we have seen, the investment trust explores fields of investment which are practically unknown to him. Their securities provide him with a "fool proof" form of investment comparable to trustee investments, but possessing advantages which make them in many important respects incomparably superior. The most outstanding of these are that they provide relatively high and growing yields with a minimum of risk, and, moreover, the principal likewise tends to grow in value with the succeeding years.

As soon as Canadians become familiar with this form of investment, it is to be expected that on account of their many attractive features they will appeal to all classes of investors and attain the popularity which they enjoy in England and Scotland, and to some extent in the United States.

Prices Rise as Surplus Grows

Recently, in commenting on the results achieved by the investment trust, that conservative old medium, the London Financial Times, reputed to be the world's largest financial paper, said in part:

> "The yield in the ordinary stocks varies between 5 per cent. and 7.41 per cent. In considering the low rate of return on certain of these stocks, the surplus remaining over after the payment of dividends pointing to the possibility of future increased rates must be taken into account, anticipated benefits being reflected in prices."

The yields on the majority were at that time under 5½%, although the average dividends were 7.72%. Thus the average selling prices of all were at a very considerable premium over par. The Times further said:

> "It has been pointed out that some difficulty may be experienced in acquiring these ordinary shares and conversely the ease with which sales may be effected. Those desiring to invest money in these stocks will best serve their purpose by leaving their orders with brokers or agents for execution as opportunity offers without tying the agents down to the ordinary stock of any one particular company."

Very Popular in Britain

These quotations relating to the high prices and the difficulty of producing stocks sufficientlyillustrate the popularity of investment trust securities in Great Britain and show how closely they are held by the investor when once procured.

Throughout these articles, I have taken the liberty of using statistical compilations relating to twenty-three English companies and twenty-one Scottish companies appearing from time to time in the London Financial Times. In closing this series of articles, I would like to quote several paragraphs from the same disinterested and conservative British source showing the regard in which investment trust is held in Great Britain. This is, perhaps, the more necessary as it may be urged that, having been a student of the investment trust for several years, I am perhaps unduly prejudiced or biased in their favor. For instance, in their issue of June 11, 1926, the Times said:

> "The progressive character of these extraordinarily well managed companies has not only resulted in the payment of steadily increasing dividends during past years, but has also permitted the transfer from revenue of considerable sums to reserves and in the writing down of investments.
>
> "The safe investment of money at good yields is by no means an easy problem, but becomes more of an exact science with an investment trust company than with the average individual whose capital is limited and to whom mistakes may be serious.
>
> "In spite of all the care exercised when making investments where it is sought to combine high rates of interest with good security no individual investor can help making mistakes at times, but in the case of investment trust companies only a comparatively small proportion of their total funds is placed in any one security, while their holdings are widely spread over a number of different countries and in various kinds of investments. Consequently, the influences which are responsible for loss in one country or in any one class of security, may also be responsible for improvement in other countries or in some other class of security, and in the main the accounts prove a balance well on the right side.

Advantage to Private Investor

> "The private investor is undoubtedly realizing more and more the advantage of placing his money in securities of the investment trust companies, where not only satisfactory dividends can be counted on, even in bad times, but where the risk of loss of capital, inherent in any business, is reduced to a minimum through the sound distribution of risk, both geographically and in the varied nature of the investment held.
>
> "The debenture stocks of the best investment trust companies may be regarded as very nearly, if not quite, as safe as trustee securities. The preference stocks will recommend themselves to the conservative mind as very sound fixed dividend paying investments. The ordinary stocks can be looked upon as most suitable for the intelligent man who requires a well seasoned investment offering a fair yield with a good chance of appreciation in capital value."

On July 3, 1926, in commenting on the Scottish companies, the Times said in part:

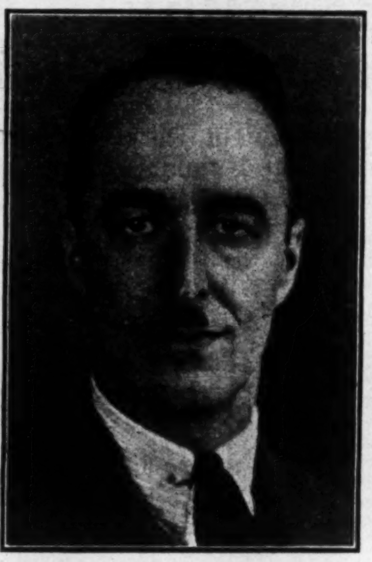
> "The debenture stock of the best Scottish trust companies, like the English ones, can be regarded for all practical purposes as safe as trustee securities. The preference stocks are very well secured and are an excellent investment of a permanent fixed dividend paying nature.
>
> "As a result of the careful and sound policy displayed in the management of these companies, a most satisfactory position, both from a revenue and capital standpoint, has been built up and confidence in their future is reflected in the high prices now ruling for the ordinary stock. It is somewhat remarkable that the present return on most of the ordinary stock is on a slightly lower basis than that obtainable on the debenture or preference stocks, but the progressive nature of the companies and the present substantial surpluses remaining after the payment of present dividends indicate to the intelligent investor the probability of larger distributions in the future, as well as possible bonuses arising from the issue of fresh capital, anticipated to an extent in the present prices."

Banking institutions in all civilized countries are to-day performing an economic service of inestimable value to the countries in which they are located in assembling surplus funds and in making these available primarily for the promotion of current domestic trade and commerce. Without the banking facilities of to-day, commerce would have languished and would have been of stunted proportions. Insurance companies have, on their part, likewise performed services equally important in protecting our homes and our business enterprises. Comparable with the great services which these institutions have performed in promoting commerce and in protecting our homes and business enterprises are the services which the investment trust renders, first, to the private investor in safeguarding his funds by providing sound investments and in conserving and directing these funds to legitimate enterprises and, second, in the services performed through investment in remote fields resulting in the promotion of foreign trade and in creating and cementing satisfactory international relations. The investment trust thus performs services which not only benefit the individual directly, but in addition it performs general services which are of the greatest economic and national importance.

Not Hurt Other Agencies

There is ample scope for the operation of every legitimate means of conserving the surplus funds of any country. Nor is it likely that the introduction of a new method will be detrimental to any other legitimate agency now in operation. It will rather prove to be one additional, practical and educational force which will co-operate in the direction of funds into legitimate channels.

Such is the attractiveness and importance of the investment trust that we can confidently predict that it will soon become acclimatized in Canada and that it will, here as in Great Britain, perform similar outstanding services for Canadians and for the Dominion.



A. S. PADMORE, formerly a partner of the firm of McCoo, Padmore & Co., who has been elected a member of the Toronto Stock Exchange. Under the name of Padmore & Co., he will conduct a general brokerage and investment business. Mr. Padmore was connected with the Bank of Montreal for an number of years prior to entering the investment banking business.

Dollar Volume of United States Trade Continues Good

Measured by check payments, the dollar volume of trade in the United States during the third week of May was greater than in either the preceding week or the same week of 1926, according to the weekly statement of the Department of Commerce. Wholesale prices, in general, were slightly stronger than in the previous week, but were substantially lower than a year earlier. The wholesale price of cotton continued to average higher, but was still below the level of a year ago. Wheat prices, showing no change from the previous week, were substantially lower than a year ago. Loans and discounts of Federal reserve member banks expanded as compared with the previous week, being larger also than last year. The value of new building contracts awarded in 37 states was smaller than in either the previous week or the corresponding week of the preceding year.

The production of bituminous coal during the second week of May, although larger than in the previous week, was smaller than a year ago. Lumber production showed a decline from both comparative periods. The output of beehive coke declined from both the previous week and the same week of the preceding year. Crude petroleum production receded from the high level reported during the first week of May, but was still well above last year. Receipts of cotton were larger than a year ago, while receipts of cattle and hogs were also greater than last year. Distribution of goods, as seen from data on carloadings, was heavier than a year earlier.

P. LYALL & SONS REPORT REVEALS LOWER PROFITS

Earnings About 15 Per Cent. Lower—Working Capital Larger

From Our Own Correspondent.

MONTREAL.—The annual report of P. Lyall & Sons Construction Company for the fiscal year ending March 31, 1927, shows some decline both in gross and net earnings during the year. The working capital position, however, shows some betterment.

The results of the year's activities are seen in the following figures which compare the profit and loss figures and working capital figures over the past three years:

	1926-27	1925-26	1924-25
*Earnings	$234,428	$264,291	$260,120
Bond Int.	29,410	34,074	40,574
Balance	205,018	228,217	219,546
Sinking fund	80,000	73,500	71,200
Net profit	125,018	154,717	148,346
Pref. divs.	91,000	91,000	91,000
Balance	34,018	63,717	57,346
Prev. balance	479,633	415,916	358,569
P. & L. bal.	513,651	479,633	415,916
P.C. on com.	1.94	3.64	3.27

*—After rent, insurance, taxes, general expenses, etc.

Working Capital Position

Curr. assets	2,244,863	2,279,250	2,398,656
Curr. liabs.	790,396	924,814	1,129,782
Work. cap.	1,453,467	1,354,436	1,268,874

Balance Sheet Position

In the balance sheet, the property account has been written down by more than $100,000 and the goodwill account has been reduced to $996,909 from $1,076,909 last year. The bonds outstanding have been reduced from $543,400 to $463,400. Bank loans now stand at $650,000—a reduction of $50,000 during the year. The changes in the surplus account and in the current assets and current liabilities are seen in the foregoing figures.

In his remarks to the shareholders, William Lyall, the president, says in part as follows:

"The worst weather conditions in the history of the Welland Canal during the past season affected production, as evidenced by our earnings. Settlement of excess wages and other claims has been long delayed, but we now expect satisfactory consideration. The Steel Gates Contract is well under way. Conditions throughout Canada have vastly improved and a favorable amount of new business can be anticipated."

Standard Bank of Canada Opens at Saskatoon, Sask.

The Standard Bank of Canada announces that on the 1st of June a branch was opened at Saskatoon, Sask., under the management of H. L. Allingham, formerly manager at Lethbridge, Alta.

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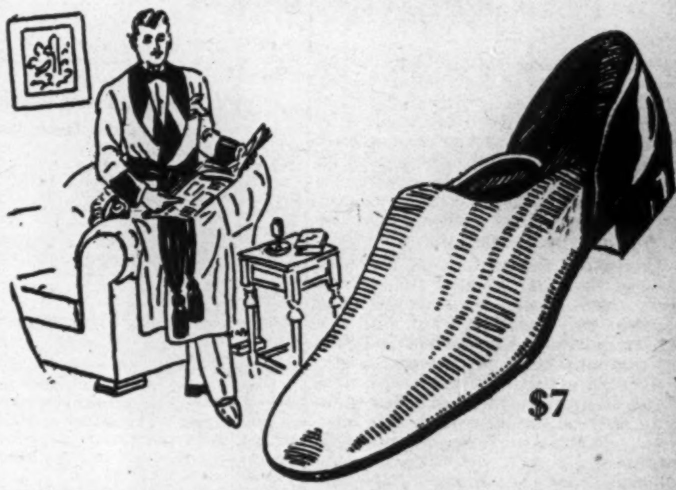

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Extracts from the Report for the Year 1926

REVENUE ACCOUNT

Premiums (Fire, Accident and General) Net	$30,890,635
Interest, Dividends and Rent	1,429,575
Profits on Investments realized	43,420
	$32,363,630

Balance Sheet, 31st December, 1926

ASSETS

Government and Provincial Securities	$15,342,422
Railway Stocks and Debentures	5,697,980
Preference and Ordinary Shares	2,368,931
House Property — Corporation's Offices	5,856,125
Branch and Agency Balances (including cash in hand and on deposit)	7,430,027
Shares of Companies controlled	5,528,657
Amounts due from other companies	438,990
Interest and Rents Accrued	282,561
Cash in hand and on deposit	965,832
	$43,911,527

LIABILITIES

Capital paid-up	$ 1,798,862
Insurance Funds	12,968,833
Reserve for outstanding losses, estimated	11,607,775
Amounts due to other companies and agents	1,629,878
Outstanding Commissions, etc.	1,441,409
Deposits at Interest	77,465
Loan Account	275,000
Provision for Final Dividend, 1926	899,431
Reserve for Outstanding Taxes	1,066,891
Reserve for amounts falling due from Reinsuring Companies in liquidation	750,000
	$32,515,544
NET SURPLUS	$11,395,983
TOTAL	$43,911,527

($5 taken as equivalent to £1 sterling)

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KELVINATOR MAY LOOK UP; PARENT ROUNDS CORNER

Electric Refrigeration Corp. Begins Again to Show Profits in U.S.

Electric Refrigeration Corp., the parent company of Kelvinator Co. of Canada, had a net profit of $100,000 in March and $200,000 in April, it is reported. This is in marked contrast to losses prevailing in preceding months which resulted in depression in the market value of the stock of the company. It is believed that the corner has been turned.

Kelvinator Co. of Canada not only has the Canadian market for Kelvinators and Nizer ice-cabinets and Leonard refrigerators, but also the export market. Even when the parent company ships refrigerators, etc., to foreign countries from the United States factories, the Canadian company will be credited with the business. Electric Refrigeration Corp, is confining its own activities to continental United States, although there are certain countries, such as Australia, to which these goods may be more advantageously shipped from the United States than from Canada.

Will Show Profit

It is expected that Electric Refrigeration Corp. will show a substantial balance at the end of its fiscal year, as against the $985,202 operating deficit incurred in the half-year just ended.

A substantial part of this deficit, which did not include dividends of $626,344, was due to extraordinary expenses, which will be non-recurring. At the end of March, the company had $1,300,000 in cash and its working capital was $5,500,000, or about $1,000,000 less than at the end of the fiscal year. The company has also advanced $1,000,000 to the Electric Realty Corp., its wholly owned subsidiary, and the owner of Electric Refrigeration's new Detroit plant. This plant which is now in full operation has cost in excess of $4,000,000. Of this amount approximately $2,000,000 was supplied by Electric Refrigeration and $2,000,000 by the Realty Company, the latter through the sale of 10-year 6 per cent. first mortgage sinking fund gold bonds.

In addition to this Detroit expenditure which will provide manufacturing facilities for the Kelvinator and Nizer divisions, Electric Refrigeration has expanded its Leonard activities at Grand Rapids. The Grand Rapids properties are owned directly by Electric Refrigeration and around $1,700,000 has gone into this expansion program.

Business of the Kelvinator and Leonard divisions at present is meeting all expectations. The Nizer division which makes the commercial units, and which has been a laggard, is beginning to show decided improvement.

The demand for mechanical refrigeration is solid and while competition is severe, there is no present dissatisfaction with profit margins. Products of Electric-Refrigeration are well established and while General Motors, through Frijidaire, is the dominant factor in the field there seems no reason to question the adequacy of markets for large business with both companies.

Stock Market

MARKET INDICATOR

20 Industrial Stocks

Week of May 31	99.2	96.5
Week of May 25	98.7	96.1
Month of May, 1926	75.2	69.7

9 Bank Stocks

Week of May 31	$243	$241
Week of May 25	242	241
Month of May, 1926	224	222

10 Public Utilities

Week of May 31	114	111
Week of May 25	112	110
Month of May, 1926	94	90

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.,	Total
Banks	2	4	3	9
Paper	8	2	5	15
Steel	10	10	20	40
Foodstuffs	13	20	11	44
Utilities	5	6	18	29
Tractions	6	3	4	13
Industrials	18	12	27	57
Textiles	3	5	10	18
Total	65	62	98	225

Vancouver Pool Elevator

Construction of the new elevator to be built by the Alberta Wheat Pool, on Burrard Inlet, Vancouver, is expected to begin shortly.

Dividends Declared

Company	Rate	Date	Record
Barcelona Tr. com.	1%	June 30	
C. P. R.	2½%	June 30	June 1
Bri. Col. Fish	$1.25	June 10	May 31
Do., pref.	1¾%	June 10	May 31
Belding Cort. pref.	1¾%	June 15	May 31
East. Koot. Pow. p.	1¾%	June 15	May 31
Can. Westinghouse	30%	June 20	May 20
Page Hersey	75c.	July 1	June 18
Do., pref.	1¾%	July 1	June 18
Tuckett Tob., com.	1%	July 15	June 30
Do., pref.	1¾%	July 15	June 30
Jamaica Pub. Ser. p.	$1.75	July 2	June 15
Mackay, com.	1¾±	July 1	June 4
Do., pref.	1%	July 1	June 4
Can. Permanent	3%	July 2	June 15
Canada Landed	2½%	July 2	June 15
Bk. of N. Scotia	4%	July 2	June 15
Belgo. Can. Paper, pref.	1¾%	July 2	June 3
Do., com.	1½%	July 12	June 30
Continental Oil	25c.	June 15	May 13
Dom. Glass, com.	1¾q'	July 2	June 15
Do., pref.	1¾q	July 2	June 15
South. Can. Pr.	1%	July 15	June 30
Montreal Loan	3%	June 15	May 31
Mont. Cot., com.	*1½%	June 15	May 31
Do., pref.	1¾%	June 15	May 31
Wabasso Cot.	*$1+50	July 2	June 30
Huron & Erie M.	1¾%	July 2	June 15
Canada Trust	5%	July 2	June 15
Lake Shore Mines	10+10%	June 15	June 1
Bell Telephone	2%	July 15	June 23
H. Smith Pa. pr.	2%	July 11	June 30
Volcanic Oil	63c.	June 10	May 31
Landed Banking	5%	July 2	June 15
Dom. Bank	3%	July 4	June 30
Can. Baker., 1st p.	$1.75	June 15	June 6
Good. & Worts.	25c.	June 15	May 31
Nat. Brew., com.	$1	July 1	June 15
Do., pref.	1¾%	July 1	June 15
Hollinger Cons.	2%	June 17	June 1
Port Alfred Pulp, p.	1¾%	June 15	June 1
St. Maur. V. pfd.	1¾%	July 2	June 15
Sher. Will., com.	1½%	June 30	June 15
Do., pref.	1¾%	June 30	June 15
Cosgrave Brew.	1¼%	June 15	May 31
Cooksville Shale Brick, pref.	1%	June 15	May 31

* Bonus.

UNLISTED SECURITIES

	Bid	Asked
Brooks Motor, 1 pref. & 1 com.	3	4¼
Do., 1 pref. and 2 com.	4	5¾
Can. Machinery, com.	5	7
Can. Westinghouse, com.	190	..
Chase, A. W., com.	5	10
Do., pref.	70	80
Goodyear Tire, 6% pref.	100	101
Gunns, Ltd., pref. (new)	102	..
King Edward Hotel, Deb. A.	74	78
Farmers Dairy, com.	75	85
King Edward Hotel, Deb. B.	65	70
Loew's Buffalo, pref.	37	42
Nat. Grocers, 1st pref.	94	98
Nat. Grocers, com.	1	4
Continental Life, 20% paid	48	..
Crown Life	190	..
Empire Life	30	33
Excelsior Life, 20% paid	76	85
Great West Life	425	440
Monarch Life, 10% paid	39	42
Mortgage Discount, pref.	5¾	6½
Ontario Equitable	27	30
Security Life, 40% paid	..	28
Sun Life, 75% paid	950	1050
Toronto Finance, pref.	3½	4½
Canada Life	850	925
Capital Life, 20% paid	23	..
Farmers Dairy, pref.	103	107
Dom. Combing Units	15	25
Dom. Sewer Pipe, com.	53	55
Fanny Farmer, com.	28	29¼
Do. pref.	29	31

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Which is Better Buy? —Walker's or "Alcohol"

The Position of These Two Prominent Distilling Stocks Compared — Alcohol Has Large Number of Shares Outstanding, But Has Larger Assets

From Our Own Correspondent.

MONTREAL.—The investment interest which at present surrounds all distillery stocks has led many investors to make comparisons between the various issues. Of such comparisons perhaps the most interesting in a financial way is between the shares of Hiram Walker's and the Canadian Industrial Alcohol.

In the first instance, the Canadian Industrial Alcohol Company turned down the offer of the Hiram Walker property at a price said to be below the $14,000,000 which the Hatch interests later paid for the Walkerville producer. This adds a touch of piquancy to a comparison of the companies.

Both companies produce liquor, and while Hiram Walker's limits its production to whiskies, Canadian Industrial Alcohol produces many brands of whiskies and other alcoholic liquors from its distillery which is the largest in the Empire, if not in the world. The latter company obtains some of its porfits from industrial alcohol also.

Production Seems Larger

In production the foregoing seems to give the edge to the Canadian Industrial Alcohol Company which produces a larger number of brands and liquors which are widely known in foreign and domestic markets. But on the other hand, offsetting this, the protagonists of Hiram Walker's stock immediately mention the great popularity of their company's brands which have undoubtedly received the cachet of discriminating drinkers throughout the civilized world.

In both companies the security behind the shares is identical. It consists of the entire assets and in neither company is there any mortgage indebtedness on the plants. But Hiram Walker's has outstanding 400,000 shares against a capitalization of 960,000 shares of Canadian Industrial Alcohol. Thus the latter company has to divide its profits among more than twice as many shares.

This brings up the subject of profits applicable to the shares. The records show that profits apparently in both companies have been similar. Last year the earnings of the Canadian Industrial Alcohol Company after all charges of every kind amounted to over $2,100,000. The average earnings of the company of the last four years amounted to just over $1,500,000.

Hiram Walker's Earnings

The earnings of Hiram Walker's during the past fiscal year have not been published, but the earnings averaged over the past seven years amounted to just over $1,500,000 also. Thus there seems to be a great similarity of earning power in both companies, but the records show that the Canadian Industrial Alcohol Company has been able to double its net earnings between the close of 1923 and 1926.

Hiram Walker probably has done likewise, only unfortunately for the investor seeking statistical information, the yearly record of the earnings of that company have not been made available.

The comparison of the assets behind the shares of each company is of interest. At the time the issue of Hiram Walker's was made, it was stated on the prospectus that the plant has a value of some $4,000,000. Apparently this means the present value of the plant. The property account of the Canadian Industrial Alcohol Company is carried at just over this figure—but more than $2,000,000 has been written off in depreciation in Industrial Alcohol's property account over the past four years.

Carries Large Investments

True the latter company also carries on its balance sheet shares in associated companies and other investments at a figure of almost $5,400,000; this figure has been increased by over $2,000,000 in the past four years which indicates that earnings have been going back into the property or into other investments.

Moreover, the Canadian Industrial Alcohol has pursued the conservative policy of writing down its fixed assets by large sums annually and therefore it is to be presumed that its subsidiaries and associated companies have also pursued the same policy. Thus the parent company has been weaving greater strength into its own structure and at the same time, it is presumed that the position of its subsidiaries also has been strengthened.

Further comparisons of the balance sheet position of both companies is difficult because Hiram Walker's, Limited, is only a holding company. Its only asset consists of all the shares of Hiram Walker & Sons; these are carried on the books at the figure of $14,000,000 as compared with total assets of the Canadian Industrial Alcohol Company of practically the same figure.

Shares Valued at $10,000,000

The liabilities of Hiram Walker's at the time the stock issue was made consisted only of two items: a bank loan of $4,000,000 and the 400,000 shares of no par value common stock which were carried on the books at $10,000,000. The 960,000 shares of Canadian Industrial Alcohol are also carried on the books at the same figure.

The liquid position of Industrial Alcohol compares favorably with Hiram Walker. The former has a ratio of about 4 to one between current assets and current liabilities with a working capital of over $3,100,000.

At the time the Hiram Walker's issue was made that company had a deficit in its working capital account, but the subsidiary and the operating company had current assets in excess of current liabilities; how much in excess was not made public at the time.

The big bank liability, though, of the parent company could perhaps have been entirely liquidated by the sale of the liquor stocks of the company which at that time were valued at at least $14,000,000. Nevertheless it is impossible to obtain any clue regarding just how much of these current assets were applicable to current liabilities.

Liquid Position Unknown

In other words, had the subsidiary Hiram Walker company sold its stock of liquor in whole or in part, a great portion of the proceeds would naturally have to be devoted to liquidating the current liabilities of the company. Just what proportion this would be, depends on the ratio of the current assets to current liabilities which existed in the subsidiary company at that time.

Thus the situation surrounding the Hiram Walker's has been definitely obscured—perhaps this is in the best interests of the shareholders — and perhaps it is not.

On the basis of the earning figures of both companies, it would appear at first glance that Hiram Walker's stock should sell at twice the figure of the Canadian Industrial Alcohol's. But with the Canadian Industrial Alcohol shares, the investor by consulting the last annual balance sheet can see for himself that the company has a working capital of over $3,100,000 applicable to the stock at the end of the last fiscal year.

In Hiram Walker's the liquid position of the subsidiary is unknown. The Hiram Walker assets have a value of $4,000,000—but Industrial Alcohol's fixed assets have a depreciated value of over twice this amount. Furthermore Industrial Alcohol is known to have pursued a conservative depreciation policy.

Should Earn Much More

This would indicate that while the number of Alcohol's outstanding shares is twice as great as Hiram Walker's, yet the former company from its greater assets should be able to earn considerably more profits than Walker's.

Indeed the last annual report of Alcohol showed that earnings were in excess of those of Hiram Walker's average over the past few years. Coupled with this the investor in Canadian Industrial Alcohol holds shares in a company which has shown a very substantial increase in earnings over the past few years and which this year is also showing increased earnings. But it is said, of course, that Hiram Walker's is also increasing its earnings. The shareholders in Alcohol have stock in a company which has behind it a very satisfactory dividend record whereas Walker's has not yet declared a dividend.

From the information available regarding both companies, the conclusion seems to be that either one of the stocks is selling out of line as compared with the other. Either Canadian Industrial Alcohol is selling a little too low or Hiram Walker's is selling a little too high. The investor can take his pick of Canadian Industrial Alcohol at around 30 or Hiram Walker selling around 53.

INVESTMENTS

Public Utility

Bell Telephone Co. of Canada	5%	102.50	4.85%
Canada Northern Power Corp. Ltd.	6½%	103.50	6.18%
Canadian Pacific Railway	4½%	96.50	4.80%
East Kootenay Power Co., Ltd.	7%	105.00	6.46%
Gatineau Power Company	5%	98.00	5.15%
Manitoba Power Company, Ltd.	5½%	100.50	5.48%
Montreal Island Power Company (Carrying warrants to purchase 2 shares Common with each $1,000 bond)	5½%	101.00	5.43%
Montreal Tramways Company, Ltd.	5%	100.00	5.00%
Montreal Tramways Company, Ltd.	5%	97.25	5.20%
Montreal Light, Heat & Power	5%	102.00	4.85%
Northern Canada Power, Ltd.	6%	102.75	5.75%
Northwestern Utilities, Ltd.	7%	102.25	6.75%
Ottawa & Hull Power Co., Ltd.	6%	105.00	5.60%
Ottawa River Power Co., Ltd.	6½%	104.00	6.20%
Southern Canada Power Co., Ltd.	5%	99.50	5.05%
Winnipeg Electric Co., Ltd.	6%	101.75	5.88%
Winnipeg Electric Co., Ltd.	5%	100.00	5.00%

Preferred Stocks

Eastern Dairies, Ltd.	7%	99.00	7.07%
Canada Northern Power Corp., Ltd.	7%	100.00	7.00%
East Kootenay Power Co., Ltd.	7%	100.00	7.00%
Ottawa & Hull Power Co., Ltd.	7%	100.00	7.00%
Power Corporation of Canada, Ltd.	6%	97.50	6.15%
Foreign Power Securities Corp. (Carrying bonus of one-half share Common with each share Preferred)	6%	100.00	6.00%

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Northern Grain Shipments Heavy

A total of 5,431,475 bushels of grain have been shipped out over the Edmonton, Dunvegan and British Columbia line during the past season up to May 7. This compares with 3,249,475 bushels moved during the corresponding period last year and 2,463,252 bushels in 1924-25.

New Issue

$1,500,000

Godfrey Realty Corporation

6% First Mortgage 15-Year Sinking Fund Gold Bonds

Owners of Confederation Building, Corner St. Catherine Street and McGill College Avenue, Montreal

Dated June 1st, 1927. *Maturing June 1st, 1942.*

Principal payable in gold at the principal Office of the Royal Bank of Canada, Toronto, Ont., Montreal, Que., and at the Agency of the Royal Bank of Canada in New York City. Interest payable in gold, June 1st and December 1st, at any branch of the Royal Bank of Canada, in Canada, at par of exchange, or at the Agency of the Royal Bank of Canada in New York City.

SECURITY—Godfrey Realty Corporation has acquired the property at the south-east corner of McGill College Avenue and St. Catherine Street in the City of Montreal, having a frontage of 105 feet 6 inches on St. Catherine Street by a depth of 196 feet 7 inches on McGill College Avenue and 88 feet on Cathcart Street. On this property is to be erected an eleven-story-and-basement building which will be modern in every respect; absolutely fireproof; of reinforced concrete construction with brick exterior and stone trimming.

VALUATION—The site has been valued by Messrs. Ernest Pitt & Company at $933,450. The finished building has been appraised by Ross & Macdonald, Incorporated, at $1,438,400, making a total valuation of $2,371,850.00.

EARNINGS—From the letter of the President of the Company, we quote the estimated revenue of the property as:

Gross Income, allowing vacancies of 10%	$261,000.00
Operating Expenses	$ 70,000.00
Net Income	$191,000.00

(More than twice the amount necessary to pay First Mortgage Bond interest.)

SINKING FUND—The Trust Deed securing this issue of bonds will provide that the Company will create a semi-annual sinking fund to be applied in the purchase or redemption of the said bonds amounting to the sum of $15,000 half-yearly, plus an amount equal to one-half year's interest at the rate of six per cent. per annum on all bonds previously acquired or redeemed or which should be acquired or redeemed for sinking fund purposes. The first of said sinking fund payments will be made to the Montreal Trust Company on June 1st, 1930.

REDEMPTION—Bonds will be redeemable in whole or in part on thirty days' notice at 105 up to and including June 1st, 1932; at 104 up to and including June 1st, 1937, and thereafter at 103, in each case with accrued interest to date of redemption.

PRICE: 98.00 and accrued interest, yielding over 6.20%.

Write for special circular.

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The statements contained in this advertisement are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

SECOND BROOKS MEETING IS LIKE EARLIER BATTLE

Shareholders Continue the Fight; Secretary of State Permits Short Delay

Affairs of Brooks Steam Motors continue in the limelight.

The second annual meeting of the company for 1926 was held, according to schedule, at Stratford, May 27th, with F. W. Wegenast, counsel for dissatisfied shareholders, protesting about the manner of calling and conducting the meeting. The Brooks cohorts succeeded in carrying a motion on a show of hands to continue the meeting the following day but Mr. Wegenast demanded a poll. The taking of the poll would require two weeks, it was claimed. Nevertheless, the meeting proceeded Saturday morning, with Brooks electing his directors elected at the first meeting, again declaring the report of Auditor, N. L. Martin, adopted and ratifying the agreement with the Eureka Engineering Co., a Delaware Corp.

Says Contract Unfair

This agreement gives the American rights to the Brooks patents in return for Canadian rights to patents which may be developed in the next four years. It was announced that Brooks Motors, Canada, owns half the capital stock of the Eureka company, the Buffalo company owning the other half. Mr. Wegenast continued the protest that the agreement was unfair to shareholders in the Canadian company in view of the greater size of the American market and in view of the possibility that the Eureka may not have anything of value to contribute to the Canadian company. In other respects also, it is contended, the agreement is unfair.

The Meeting was Noisy

Thomas Mulvey, K.C., permanent under secretary of state has agreed to withhold the appointment of an inspector to inquire into the affairs of the company until M. C. Vandervoort, the company's counsel, has had an opportunity to discuss the situation. Mr. Mulvey pointed out that action by the secretary of state could not long be delayed. Mr. Vandervoort intimated that the directors of the company welcomed the prospect of an inspector being appointed by the department.

The shareholders' committee is endeavoring to have continued the injunction to prevent the coming into effect of the agreement with the Eureka company. Justice Rose granted an injunction for two weeks following the latest Stratford meeting. O. J. Brooks and other individuals have been subpoenaed.

Opportunity Exists for Utilizing Wood-plant Waste

Material referred to in the trade as "wood flour" has been known and used for some time in Canada. Until quite recently, however, attention has been paid to its domestic production, in spite of the economic solution which, according to a report recently issued by the Natural Resources Intelligence Service of the Department of the Interior at Ottawa, it would offer in part for the disposal of shavings, saw-dust and other waste inevitable even in the most efficiently conducted wood-working plants.

Wood flour is made by grinding sawdust, chips and other mill waste. Preliminary grinding in a chipper or hog machine is, in some cases, necessary to reduce the material to a reasonable size (sawdust).

Its chief uses are as a filler in linoleum, as a "dope" in nitro glycerine, as a filler in the manufacture of bakelite, as a surfacing in the making of wallpapers, in the manufacture of heat insulators, sound deadeners, in the polishing and drying of metals that have been treated with acids, in floor-sweeping compounds, as an absorbent in the chemical industry and in the manufacture of phanolic resin products, of artificial mosaic floorings of certain ceramic materials and of wood plastic products. The mill waste most suitable to the manufacture of wood flour is that derived from coniferous trees.

Little investigation has been undertaken regarding the suitability of Canadian trees to this manufacture, but according to the Natural Resources Service the wood of the maple, ash, white birch and basswood, in addition to that of the conifers now in use, should be capable of producing a good grade of wood flour since these woods are practically devoid of resin and have the necessary light color.

Return of Sockeye to Fraser River Helps B.C. Fish Co.

The Dominion government fisheries department, in conjunction with the British Columbia government, is making a careful survey of the waters of the Fraser river, where the sockeye spawn, as the reappearance of large numbers of sockeye in the Fraser river justifies the hope that greater knowledge of the spawning areas, by assisting the fish on their way to spawn, by the removal of obstructions in the streams leading thereto and guarding the female at the spawning season from their natural enemies, the old productiveness of the Fraser river will be restored to a large degree.

Commenting on this, Aemilius Jarvis, president of British Columbia Fishing & Packing Co., said:

"If the Fraser river is restored, which is quite practical, it will mean a great deal to our company, as we have more canneries and cannery sites on the Fraser river than anyone, and it would mean that what we have written off would become valuable again."

Stock Market Record

WEEK ENDING MAY 30

	Div. Rate	Yield May 28	High for wk.	Low for wk.	Close May 30	Close May 23	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	5.34	243½	242	243½	244	77	248	228
Dominion	12+1	5.67	230	229½	229½	230	73	230	217
Can. Nationale	10	6.17	..	...	...	...	...	165½	160½
Imperial	12+1	5.90	221	220	221	220	48	222	214
Montreal	12+2	4.71	299	297½	298	298	119	299	272
Nova Scotia	16	4.95	323	321	321	324	90	324	298
Royal	12+2	5.10	275	272	272	273½	798	275	257
Standard	12	5.94	202½	202	202	202	27	207	196
Toronto	12	5.21	230½	230⅛	230½	230	50	238½	227
Paper—									
Abitibi, com. (no par)	5	5.19	97¾	91	95	89½	12868	97¾	82
Do. pref.	7	5.98	117	117	117	117	81	119	113
Belgo-Can. pref.	7	6.78	103¼	102½	103	103	100	105	101
Brompton (no par)	$2	6.25	32½	31½	32⅝	32	1136	35	31
Fraser, pref.	7	7.21	96¾	96¾	96¾	97	10	98	96¾
Inter. Paper, com.	$2	5.00	40¼	40	40⅛	40¼	7700	60⅞	39½
Laurentide	6	6.34	94½	91½	92½	92	4045	110¾	91½
Price Bros., com.	2	3.70	54	53½	54	53½	190	63	53½
Do. pref.	6½	6.37	102	102	102	102	120	104	100
Prov. Paper, pref.	7	6.04	..	...	...	...	...	107	105¼
Smith, Howard, com.	.	...	64	61	63	62½	256	68¾	60
Do. pref.	8	7.27	110	110	110	110	15	110¼	103½
Span. River, com.	7	7.00	100½	97¾	99¾	98⅛	971	102¾	97¾
Do. pref.	7	6.11	114½	113⅝	114	113	121	116½	110¼
Wayagamack	$3	5.08	59	54	57	53¾	2782	59	46½
Steel and Steel Industries—									
B.E. Steel, com.	.	...	½	½	½	½	325	1⅝	½
Do. 1st pref.	.	...	20	19	19	21	53	22¼	10
Do. 2nd pref.	.	...	2¼	2	2¼	2¼	235	4	1
Can. Car & Found., com.	.	...	42	41	42	42	80	50¼	38½
Do. pref.	7	7.65	93	91	91	92½	1057	94½	88
Can. Fairbanks, pref.	6	6.74	..	...	...	...	...	89	80
Can. Forgings, com.	.	...	22	22	22	23	25	27	18
Do. pref.	.	...	..	...	...	...	...	87½	66
C.G.E., com. (par $50)	.	...	..	...	...	...	...	51½	50
Do. pref. (par $50)	7	5.83	60	59½	60	59¾	203	60	56
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	8.28	84½	83	84½	84	15	89	83
Canada Iron, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	7.27	..	...	...	...	...	60	42
Dominion Bridge	4+2	3.26	187½	184	186	184½	1247	193	116¾
Dominion Coal	.	...	83	83	83	83	10	85	69
Dominion Iron, pref.	.	...	..	...	...	...	...	5	2¾
Dom. Radiator, pref.	7	7.00	..	...	...	...	...	101¾	101
Dom. Steel Corp., pref.	.	...	29¼	29¼	29¼	29¼	100	29¼	20
Ford Motor	15	...	..	...	...	...	...	436	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	14	11	11	14½	311	15	9⅞
Do. pref.	7	7.82	90	89½	89½	89	61	95	87¼
McKin. Ind., c. (no par)	.	...	24	23¾	23¾	24	45	25½	15
Do. pref.	7	7.25	96½	96	96½	96¾	75	97	93¼
Do. Vot. Trust	.	...	24	23¾	23¾	24¼	120	26	15
Massey-Harris, com.	.	...	40	37¼	39¾	38¼	68322	40	29
Do. pref.	7	6.42	109	108½	109	108½	788	109¾	103½
Ontario Steel, com.	4	5.31	75¼	75	75¼	74	115	78	73
Do. pref.	7	6.91	..	...	...	...	...	103½	100
Page Hersey, c.	$3	4.00	75½	72½	73	73⅝	1535	75½	58½
Do. pref.	7	4.79	147	145¾	146¾	148	183	150	116
Pressed Metals, com.	.	...	46½	46½	45	45	202	46½	34¼
Do. pref.	7	7.95	88	88	88	87	20	88	85
Russell Motor, com.	3	3.94	76	76	76	53½	25	76	52
Do. pref.	7	7.36	95	95	95	95	10	97⅛	90⅛
Sawyer-Massey, com.	.	...	..	...	...	...	...	1	1
Do. pref.	.	...	..	...	...	...	...	22	5
Steel of Canada, com.	7	5.38	131	130	130	131	706	136	117
Do. pref.	7	5.09	137½	137	137	136	92	137½	127
Milling and Foodstuffs—									
Alta. Pac. Grain, com.	.	...	21	20	21	21	315	27¼	19½
Do. pref.	7	8.18	88½	85	85½	88½	130	92	85
Arnolds, com. (no par)	.	...	19½	17½	17½	20	755	26	16¾
Do. pref.	7	7.91	88	88	88	88	61	92	87½
Atlantic Sugar, com.	.	...	29	27¾	28	29¼	995	32	24½
Do. pref.	.	...	98	98	98	99	51	100	90
B C. Fishing, com., new	$1.25	7.35	17	16	16¾	16⅞	2410	22	16
Do. pref.	7	8.23	85¾	84½	85	84½	751	90	84½
Can. Bak., c. (no par)	.	...	33½	33½	33½	34	100	38½	27
Do. pref.	7	7.00	100	99	100	99	70	102	98
Can. Bread. c. (no par)	5	4.76	106	105	106	106	355	116	90
Do. pref. (A)	7	6.03	..	...	...	...	...	116	108½
Do. pref. (B)	7	6.39	110	109½	109½	109	55	112¼	103
Can. Canners, com.	.	...	55	52½	52½	55	272	63½	21
Do. pref.	4	4.27	94	91	93¾	92	882	97	76
Canadian Salt	8	5.92	..	...	...	...	...	136	123
Christie Brown (no par)	$1.20	2.00	58½	58½	58½	60	35	61½	38
City Dairy, c. (par $25)	3+1	3.47	115½	115	115½	115	251	115½	79
Do. pref.	7	5.88	119	119	119	118½	3	119	112
Cuban Can. Sugar, com.	.	...	..	...	...	...	...	5	2¾
Do. pref.	.	...	33¼	33	33¼	33	300	37	29
Wm. Davies (A) (no par)	.	...	42	40½	41⅛	43	490	43⅞	25
Do. (B) (no par)	.	...	18	17	17	18	105	19½	9
Dominion Stores (no par)	$2.40	2.96	81	79	81	78½	285	85½	65
Hamilton Dairies, com.	.	...	29½	28	28	30	61	33	24
Do. pref.	7	7.21	97	97	97	97	10	98½	96
Inter. Milling, pref.	7	6.71	106	104¼	104	106	36	107	104
Lake of Woods, com.	12	9.21	130½	130	130½	130	95	160	130
Do. pref.	7	6.18	113¼	113¼	113¼	115½	20	117	113¼
Loblaw, com.	$1.25	2.55	50	49½	50	49¼	55	51	48
Do. pref.	7	6.40	..	...	...	...	...	110	107
Maple Leaf Mill, com.	.	...	60	60	60	60⅞	120	73⅛	60
Do. pref.	7	7.21	97	97	97	97	19	101¼	94
Ogilvie Flour, com.	5	1.92	275	260	270	275½	200	290	205
Do. pref.	7	5.66	..	...	...	...	...	124	120¼
Pure Gold Mfg. (no par)	$1.50	7.50	20¼	20¼	20¼	20	15	21½	19⅛
Shredded Wheat (no par)	$3	4.41	68½	66	68	67	802	70½	55
St. Law. Flour, com.	.	...	29¾	29¾	29¾	29¾	20	31½	28
Do. pref.	7	8.75	81	81	81	80	1	84	80
Viau Biscuits, com.	.	...	22	22	22	24	75	26	18
Do. pref.	7	7.60	92	91	92	92½	90	92½	83½
Western Groc., c. (no par)	$1	...	19	19	19	19	34	29	19
Do. pref.	7	8.77	79¾	79¾	79¾	79½	30	84	74¼
W. Can. Fl., c. (no par)	$1.40	5.18	26	26	26	27½	15	29½	22
Do. pref.	6½	6.37	102	102	102	102½	127	103¼	100
Utilities—									
Bell Telephone	8	5.43	148	146½	146¾	147½	416	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.55	180	180	180	180	132	182	171½
East Koot. Power	.	...	..	...	...	...	...	29¼	26
Do. pref.	7	7.17	..	...	...	...	...	98½	96¼
Inter. Util. (A) (no par)	$3.50	...	35¾	35	35¾	34	120	35¾	28
Jamaica Pub. Ser., pref.	7	7.00	100	100	100	100	30	100	97
Laurentide Power	5	4.58	109	108	109	108	50	120	107½
Mackay, com.	7	5.83	120	119½	119½	119½	320	127½	119
Do. pref.	4	5.67	71	70	70	70⅛	187	74	69
Mexican Light, com.	.	...	..	...	...	...	...	44	27
Do. pref.	.	...	105	105	105	111	10	120	77¼
Mont. L H & Pr (no par)	$2	2.35	85¼	84	85	85	2514	85¾	68⅛
Montreal Teleg. (par $40)	8	5.23	50	50	50	50	11	51	49
Nor. Mexico Pr., com.	1	...	70	65	70	66	867	70	42
Do. pref.	7	7.95	..	...	...	...	...	88	82½
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	28	26
Do. pref.	7	7.21	97	97	97	97	15	99½	96
Ottawa L. H. & Pr., com.	6	5.71	..	...	...	...	...	105	98½
Do. pref.	6½	6.13	106	106	106	106	5	107½	102
Quebec Power, com.	6	2.02	306½	293	306½	290	1773	311	190
Do. Rights	.	...	..	...	...	...	...	54½	31
Shawinigan	$2	2.28	89¼	86½	89	87½	8126	90	67
South. Can. Pr., com.	$2	2.22	90	90	90	90	50	91	85
Do. pref.	6	5.97	101	100½	101	101	23	102	100
Transportation—									
Can. Pacific Rly.	10	5.43	185	183	185	185½	62	190	166
Can. Steamships, com.	.	...	38	37½	37½	38	245	42	35
Do. pref.	6	6.52	92⅝	91¾	92	92	3019	94¾	82½
Do. voting	.	...	35	35	35	35½	310	37½	32½
Tractions—									
Barcelona (par $50)	1	...	..	...	...	...	...	51	33½
Brazilian, com.	6	3.98	154	142½	153¾	143	90654	154	102½
Do. pref.	6	480	129	122½	129	122	2445	129	105
Detroit Un. Rly.	.	...	2	2	2	2	50	5	2
Duluth-Superior	.	...	27½	26	27½	27	121	30⅞	25
Montreal Trams	10	5.29	185½	185	185½	189	7	200	169
Ottawa Traction	4	6.06	66	66	66	68½	63	70	64
Porto Rico Rlys., com.	2	2.80	..	...	...	...	...	70¾	59
Do. pref.	7	7.44	94	94	94	96	140	96⅛	90
Twin City, com.	4	7.76	51¾	50	51½	50½	1683	66	48⅜
Do. pref.	7	6.86	..	...	...	...	...	105	100¾
Winnipeg Elec., com.	1	...	73	64½	73	66¼	4828	73	60¾
Do. pref.	7	6.73	104	103	103½	104	55	105	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	8.37	47⅞	47⅞	47⅞	46	5	57	36
Can. Converters	7	7.00	100	99	100	102	181	107½	99
Can. Cotton, com.	8	6.45	124	124	124	122	15	132	120
Do. pref.	6	6.10	98¼	98	98	98	26	100	95
Can. Woollens, com.	.	...	..	...	...	...	...	10	6
Do. pref.	.	...	60	60	60	60	40	63½	59¾
Cosmos Imp., com.	.	...	23	22¾	23	23½	1185	26¼	13
Do. pref.	7	7.25	96½	96	96½	96½	145	98¼	91¼
Dom. Textile, com.	5	4.28	117½	113⅛	115	117½	1495	120⅝	105
Do. pref.	7	5.83	120	120	120	120	3	121	117
Monarch Knitting	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	51	51	51	51	80	54	49
Montreal Cottons, com.	6	5.31	113	113	113	113	11	117	110
Do. pref.	7	5.93	118	118	118	117	14	118	115
Penmans, com.	4	5.35	75	74	74	76	210	79	74
Do. pref.	6	5.88	102	102	102	102	10	105	101
Wabasso Cotton	6	6.25	96	96	96	98	25	116	84
Do. Rights	.	...	..	...	...	...	...	17	10
General Industrials—									
Amer. Sales, c. (par $20)	4	6.25	64	63½	63½	64	64	75	62
Do. pref.	7	6.89	101½	101½	101½	101½	50	101⅝	97½
Do. Rights	.	...	..	...	...	...	...	6	3
Asbestos Corp., com.	.	...	24¾	21½	24⅝	20½	8951	24¾	20
Do. pref.	7	7.97	88	86	87½	85½	3452	88½	82¾
Building Products, pref.	7	7.21	97	97	97	96	10	97	93½
Brant Cord., pf. (par $25)	8	8.88	23½	22½	22½	23	306	25	21
Burt, F. N., com.	$3	4.23	65½	63	65	62	3141	66	56½
Do. pref.	7	...	..	...	...	...	...	x210⅛	210⅛
Canada Cement, com.	6	3.97	153½	150¼	153	152	1780	153½	124½
Do. pref.	7	5.83	120	118	120	118½	35	121½	116
C. Ind. Alc. (no par)	$1.28	4.12	32	29	31	29½	47304	32	21¼
Canadian Oil, com.	5	3.44	145	145	145	147	10	150	99
Do. pref.	8	6.66	120	120	120	120	22	120¼	115½
Do. new	.	...	24¾	24⅝	24⅝	24⅞	28	24⅞	24½
Crow's Nest Coal	6	8.45	71¼	63	67	62	2015	71¼	62
Dom. Glass, com.	7	5.73	122½	120½	121	121⅜	1249	123¾	104
Do. pref.	7	6.14	114	114	114	114	2	115	111¼
Dom. Rubber, pref.	7	...	..	...	...	...	...	87½	80
East. Theat., c. (par $25)	.	...	30	29	30	28	80	30	24
Do. pref.	7	7.36	..	...	...	...	...	95	92½
Famous Players, com.	.	...	28	27	28	28	85	30	20
Do. pref.	8	8.24	97	96	96	96	188	101	93¾
Gilman, com.	6	5.35	..	...	...	...	...	112	112
Do. pref.	7	6.07	115¼	115¼	115¼	115	10	125	110
Goodyear Tire, pref.	7	6.88	101⅝	101	101⅝	100½	113	109	94½
Holt, Renfrew, com.	.	...	..	...	...	...	...	43	43
Do. pref.	7	7.77	..	...	...	...	...	92	85
Hunt's Ltd., c. (no par)	.	...	25	24	25	23½	35	25	20
Do. pref.	.	...	91	91	91	93	10	95	91
King Edward Hotel	$1	...	50	49½	50	48½	45	60	20
Laura Secord, com.	.	...	27½	27½	27½	27	15	31	27
Do. pref.	7	6.79	..	...	...	...	...	104	102
Lyall Construction	.	...	39	36	36	39	45	45¾	35¾
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	6.86	..	...	...	...	...	105	96½
Nat. Brew (no par)	$4	5.79	69	67	69	68½	3670	71⅝	65
Do. pref.	7	6.51	..	...	...	...	...	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	10.76	..	...	...	...	...	81	65
Pacific Burt, com.	6	6.25	96	96	96	100	15	100	87
Do. pref.	7	6.52	..	...	...	...	...	108	102
Port Hope Sanitary, com.	3	2.30	..	...	...	...	...	130	125
Do. pref.	7	6.54	108	108	108	107	10	108	90
Rogers, Wm., com.	.	...	..	...	...	...	...	80	64
Do. pref.	7	7.07	100	100	100	100	15	100	92
Seagram (no par)	.	...	27	25	26¼	26¾	11311	28⅞	15
Sher-Williams, com.	6	3.65	164½	152	164½	155	515	164½	142
Do. pref.	7	5.93	119	119	119	118	5	120½	117
Standard Chem., pref.	.	...	..	...	...	...	...	15	15
Sterling Coal	4	...	31	31	31	32	90	36	30
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	7	8.64	..	...	...	...	...	89	80
Tuckett Tobacco, com.	4	5.40	74	74	74	75	10	75	69
Do. pref.	7	6.73	104	104	104	105½	5	106¼	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	8.75	..	...	...	...	...	89	80
Trust and Loan—									
Can. Landed (par $50)	10+1	5.47	100½	100½	100½	100	8	100½	94
Can. Permanent	12	5.40	..	...	...	...	...	222	216½
Colonial Invest.	6	...	..	...	...	...	...	7	6
Huron & Erie	7+½	4.93	..	...	...	...	...	152¼	139
Landed Banking	9	5.23	..	...	...	...	...	172	161
Montreal Loan (par $50)	12+1	6.50	49	49	49	50	9	52¾	49
National Trust	12	4.74	..	...	...	...	...	255	232
Ontario Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	6.79	..	...	...	...	...	105	100
Toronto Gen. Trusts	12	4.97	..	...	...	...	...	241½	220
Toronto Mtge. (par $50)	10+1	5.34	..	...	...	...	...	103	100
Union Trust	7	6.36	110	110	110	110	10	110	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	...	98¼	98¼	98¼	98	10	98¾	98
Attendu Engine (par $1)	.	...	21	17½	18	20⅞	655	35½	14
B.C. Oilfields	.	...	..	...	...	...	...	2⅝	2
Beacon Oil	.	...	16½	16	16½	16¾	65	20¾	15¾
Belding, com.	6	8.57	70	70	70	70	25	88	70
Do. pref.	7	7.00	..	...	...	...	...	100	100
Brit. Amer. Oil	80c	3.20	26½	25	25½	26	9710	28	20
Com. Alcohol	.	...	20	18	18	20	379	65	18
Brew. & Distil. (par $5)	.	...	....	...	...	...	...	5¼	4½
Can. Brewing	.	...	28¾	27½	28	28	980	30¼	23
Can. Bronze, com.	.	...	49	48	48	50	351	50	46
Do. pref.	.	...	101	100	100	100	335	101	100
Can. Celanese	.	...	69	54	69	53	580	67½	52¾
Brading Brew.	.	...	35½	33½	33½	35	100	35½	25
Can. Nor. Pr., c. (no par)	.	...	51½	51	51½	51	16	52	42
Do. pref.	7	7.14	98	98	98	93	10	99½	93
Cockshutt, pref.	4	5.26	78	76	76	78	75	82	70
Continental Oil	$1	...	17⅝	17	17½	17½	320	22¼	17
Cosgrave Brew. (par $10)	5	6.66	7¾	6½	7¾	6½	1512	8	6
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	12¼	10¾
Do. pref.	4	7.40	..	...	...	...	...	54	50¼
Can. Light & Pr.	.	...	45	45	45	48	5	55	20¼
Dom. Engineering	8	4.70	..	...	...	...	...	180	135
Dom. Power, pref.	7	6.96	..	...	...	...	...	101	100½
Dryden Power (no par)	.	...	12	11¾	11¾	13	150	15½	11
East. Dairies, c. (no par)	.	...	28¾	28	28	29	350	29¼	20¾
Do. pref.	7	...	..	...	...	...	...	96½	94
Eng. Elec., com. (no par)	.	...	..	...	...	...	...	16	15
Do. pref.	.	...	..	...	...	...	...	95	72½
Good. & Worts (no par)	$1	1.63	63	57	62	58½	15566	64	43¼
Hayes Wheel, com.	.	...	33	31	32	33	316	34	27¾
Do. pref.	.	...	95	95	95	95	10	96	94
Hiram Walker	.	...	56	52	55½	54	36540	55¼	28½
Inter. Power	.	...	16	15	16	16¼	88	17	14½
Illinois Power, pref.	7	...	..	...	...	...	...	100½	98
Imperial Oil	$1.12½	2.54	44⅛	42⅞	43½	43	4605	47	37¾
Imp. Tobacco, c. (no par)	6	...	7	7	7	7	50	7⅛	6¾
Inter. Petroleum	75c	2.50	30½	28¾	30½	29	5110	35¼	30
Mitchell, J. S.	.	...	30	30	30	29⅛	100	30	29⅛
Manitoba Power (no par)	.	...	55¼	55	55¼	55	15	58½	50
McColl, com. (no par)	80c	2.16	37¾	37¼	37½	37¾	504	40¼	22½
Do. pref.	7	6.08	115	114	115	114	125	116½	100
Mount Royal, com.	.	...	..	...	...	...	...	6	4
Do. pref.	6	...	..	...	...	...	...	55½	51½
North Star Oil, com.	.	...	..	...	...	...	...	2.55	1.15
Do. pref.	7	...	..	...	...	...	...	5.01	4.90
N.S. Car, com.	.	...	..	...	...	...	...	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	18¾
Do. pref.	7	...	..	...	...	...	...	48⅝	47
Ottawa Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg., com. (no par)	.	...	..	...	...	...	...	60	52
Do. pref.	.	...	..	...	...	...	...	100	98
Power Corp., c. (no par)	.	...	43	39¾	40½	43	2345	44	27¼
Do. pref.	6	6.31	95	95	95	95	10	97½	94
Port Alfred, pref.	7	7.33	..	...	...	...	...	97½	95
Que. South. Pr. (no par)	.	...	27½	27½	27½	53	85	28½	25
St. Maur. Power	.	...	1.40	135	138	135	175	150	96
St. Maur. Valley, com.	.	...	53½	53	53½	54	350	57½	47
Do. pref.	.	...	..	...	...	...	...	98	94½
Simpson, Robt., pref.	6	5.88	..	...	...	...	...	102	100½
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	42	42	42	41	10	54	39¾
Do. pref.	8	7.61	105	105	105	105	55	108	104
Standard Clay	.	...	..	...	...	...	...	40	38
Toronto Dairy	.	...	..	...	...	...	...	90½	90½
Toronto R. S.	.	...	..	...	...	...	...	150	150
United Secs., com.	.	...	59	57	57	59	50	70¼	43½
Do. pref.	6	5.71	105	105	105	105	96	105¼	103½
Volcanic Oil	63c	...	49	49	49	44½	19	47¼	36
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7¾	6¼
Tram. Script.	.	...	..	...	...	...	...	10	9¼
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen	.	...	..	...	...	...	...	23¼	20

xQuotations for 1926. No sales recorded in 1927 to date.

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Pulp & Paper

CANADA MAKING SOME ADVANCE IN SAVING FORESTS

Terrible Toll From Fire Still High, Says C.M.A. Committee

From Report of Insurance Committee, Canadian Manufacturers' Association.

There is perhaps no other problem before the Canadian people to-day which is so important as the conservation and perpetuation of their forests. The most reliable estimates place the current annual forest depletion in Canada at over 5,000,000 cubic feet of which about one half if being cut to satisfy our industrial need, while the remainder is being destroyed largely by recurring fires. As yet it has not been possible to estimate satisfactorily the annual increment in our forests, but the evidence of all the factors so far evolved is that this net annual growth is not nearly sufficient to offset the depletion. In the United States forests the current depletion is at least four times the increment and on account of the proximity of Canada and the United States, and their intimate trade relations, the forest problem is decidedly one of common interest. The indications are that unless forest depletion is stayed and growth increased, the supply of commercially valuable timber in both countries will be exhausted before 1960.

One of Canada's foremost authorities, Dr. C. D. Howe, Dean of Forestry at Toronto University, puts the existing situation in these words: "Two great problems lie before Canada to-day. The first is to protect our forest wealth, actual and potential as it exists, and the second is to maintain the wealth-producing capacity of Canada's forests for all time. The first means adequate protection, not only of the mature timber but of the young growth as well from the destructive agencies, the greatest of which is fire. But fire protection is only a preparation for the real forestry problem, namely the use of human intelligence to keep our merchantable species in the forest and to keep them growing. This means bringing about continuous production or forest cropping; just as the farmer raises crops on farm land, the forester can raise timber crops on Canada's forest land."

Current Fire Losses in Canada

This country is so vast in extent that even when a safe wet season or series of them come to one section—as has occurred in eastern Canada for the past three years—the average fire loss for all Canada may show no diminution, on account of the excessive damage elsewhere. Since 1923 the annual fire loss has averaged $6,531,000, which owing to weather conditions, has largely been confined to the western provinces.

The attached table compares the 1926 losses with the average for the last three years. It will be noted that last year an area of 574,716 acres of fine mature timber was burnt by forest fires and 624,800 acres of valuable young growth swept away, in addition to $967,335 worth of other property, such as mills, camps and equipment.

Other Evil Results Follow

Besides the fire loss of timber, old and young, it should be noted that forest fires occasion far-reaching indirect losses, such as the destruction of soil or soil fertility and of natural water-flow control. The considered opinion of one of Canada's foremost hydraulic engineers, on this point, is as follows:

"The question of the adverse effect on stream-flow on the denudation of forest cover by repeated fires, is one of the most important matters occupying the attention of engineers interested in water powers, irrigation or any other activity depending on water. We must have the forest cover on the headwaters of important streams. The movement toward better forest protection in Canada is one of immense and direct benefit to all water-using interests, because an even stream flow is so dependent on forest cover." The hydro-electric or power industry is already one of the most important in Canada, and growing at the rate of 17 per cent. a year. With the completion of present projects, over $1,000,000,000 of capital will be invested in this new industry which serves all others. Here is one more enormously important reason for conserving the forest—the one and only natural factor in man's control conditioning evenness of stream flow.

Fight to Save the Forests

The history of forest protection in Canada as elsewhere, is a story of progress from cure to prevention. An analysis of fire-causes shows that two kinds of fire hazards exist—natural and artificial; the latter causing some 90 per cent. of all fires. These artificial or man-caused hazards may again be divided into visible and invisible, the former consisting of the accumulated slash of the timber operators, and the latter a very real but hidden menace in human ignorance, greed, carelessness or malice. Again, within the last ten years the phenomenal increase in motor traffic to a total of over 840,000 motor vehicles in Canada to-day (besides two or three million transient foreign cars) has linked together these visible and invisible dangers to such destructive effect that the utmost effort of all our protective agencies seems barely able to prevent a steady increase in the fire loss from year to year. Nevertheless, there are good grounds for the belief that effective conservation is in sight.

Steps in Preventive Work

Each year new steps are taken toward the more certain and more rapid detection and prompt suppression of incipient fires. Each year a more comprehensive and powerful campaign is being waged through publicity channels to make every citizen realize the vital need of preventing forest fires. Fireweather forecasting is another long step toward prevention. Aircraft with radio equipment are rapidly being specialized for protection purposes. Nearly 200,000 square miles of forest will be under regular air patrol in Canada this summer. The issuance of "travel" and "slash disposal" permits is now the settled policy of nearly every province; in Quebec alone 25,000 travel permits were issued in 1926. To-day in Canada there are almost 1,000 highly efficient, portable gasoline fire pumps in use. In every forest region the construction of lookout towers, telephone lines and roads proceeus apace. Several hundred motor cars are used by the protective staffs. The railways, formerly a chief cause of destructive fires, through effective supervision by and cordial cooperation with the Board of Railway Commissioners. have now become an almost negligible source of loss.

Because it is a fundamental necessity in the industrial and recreational life of Canada, our forest heritage must at all costs be conserved and perpetuated. The earnest national observance of "Forest Week," April 24 to 30, indicated very well the general and growing recognition of this fact.

Brompton's News Capacity Being Increased Steadily

From Our Own Correspondent.

MONTREAL.—The capacity of the last newsprint machine to be installed by the Brompton Pulp and Paper Co. has been steadily increased over the past few weeks, and it is now turning out 105 tons daily. The machine is still below its maximum capacity and the expectation is that it will gradually be tuned up until it can produce 130 tons daily. If this be achieved, it should help to increase the earnings materially, for a capacity of 130 tons daily would be considerably in excess of the rated capacity of the new newsprint plant at Bromptonville.

As the company has sold its entire newsprint output for the year, it is felt that the common shares thus may come in for more attention from investors. It is said that recently a prominent Toronto stock brokerage house acquired a large number of shares around their present levels. This may mean that there is a pool in the stock or it may mean merger negotiations are on with another company—but it is believed that no merger negotiations are under way at the present time.

Abitibi Is At Capacity

MONTREAL.—The output of the Abitibi Power and Paper Company's mills still continue at capacity, with a production of just under 550 tons daily. During the week ending May 8, the mills produced 547.5 tons, which is the second highest weekly output on record and very close to the maximum production of the mill.

Wayagamack Company is Making Good Profits

From Our Own Correspondent.

MONTREAL.—The strength which the Wayagamack Pulp and Paper Company's shares have exhibited on the market is due, apparently, to the satisfactory position of the sulphate market. From its sulphate and kraft production the company is understood to be making good profits, and it is said that earnings before depreciation are running in the neighborhood of $9 a share.

Increased earning power has come from the sulphate business, and also from the company's newsprint production. While the newsprint market on this continent is unsatisfactory at the present time, yet the earnings which Wayagamack derives from this part of its activities may be largely regarded as "velvet." For, even if running part time, Wayagamack News, the subsidiary which manufacturers newsprint paper, is easily able to earn the increased fixed charges which the parent company has had to meet since the erection of the newsprint plant.

There has been some talk of an increase in the dividend rate to $4 per annum in the near future, but this is merely gossip and originates in no official sources. The present dividend rate is $3 per annum per share.

St. Anne Paper Company Starts Production Soon

From Our Own Correspondent.

MONTREAL. — It is anticipated that the first newsprint machine at St. Anne Paper Company's plant at Beaupre, P. Q., will be ready to begin operations by June 15. It is understood that at that date the news machine will commence manufacturing newsprint without delay, and that the output will be shipped practically entirely to the United States. When in full operation, the capacity of the mill will amount to 250 tons of paper per day. The equipment will include two newsprint machines, each having a capacity of 125 tons daily. The construction work on the property is being carried out by the Bishop Construction Company of Montreal.

The site of the mill is on the north bank of the St. Lawrence River, about 22 miles below the city of Quebec. Practically all of the company's common stock is owned by the St. Anne Investment Corporation, a subsidiary of the Meade Investment Company, the Industrial Investment Company, the Abitibi Power and Paper Co., the Spanish River Pulp and Paper Mills, the Bayless Pulp and Paper Company, J. T. and Charles Donohue, and other individuals closely associated with all these companies.

Spruce Falls Company Making Good Progress

From Our Own Correspondent.

MONTREAL.—The transformation of the unbleached sulphite mill to a large newsprint mill and hydro-electric development by the Spruce Falls Power and Paper Company is proceeding rapidly. The newsprint mill is being constructed beside the pulp mill at Kapuskasing, Ont., where a groundwood pulp mill is being added to the sulphite pulp to provide the chief ingredient in the making of newsprint. It is the groundwood pulp end of a newsprint undertaking that requires the most power, and the small development at Spruce Falls, near Kapuskasing, that sufficed for the manufacture of sulphite pulp, was entirely inadequate for the groundwood mill. Hence, a power site at Smoky Falls, on the Mattagami, some 50 miles north of Kapuskasing, has been chosen, and a large unit will be installed there. The four newsprint machines are being constructed by the Dominion Engineering Works, while the Canadian General Electric Co. will manufacture the turbines, and Can. Allis-Chalmers the steel flume.

Ostiguy Opens Branch

MONTREAL.—The firm of Paul E. Ostiguy, members of the Montreal Curb Market, has opened an uptown branch office in this city. The new office is fully equipped to give the firm's customers full information regarding trading on the Curb Market, the Montreal Stock Exchange and the New York Market.

A special crate for shipping fish eggs has been developed by the Canadian Department of Marine and Fisheries.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
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Letterhead paper that is obviously down at the heels is a jarring note that detracts from the effectiveness of your written message—no matter how much time or thought you put into it.

Static is sometimes unavoidable, but the other—never. Use Superfine Linen Record, and the first time you affix your signature on it you'll be impressed with its very evident high quality.

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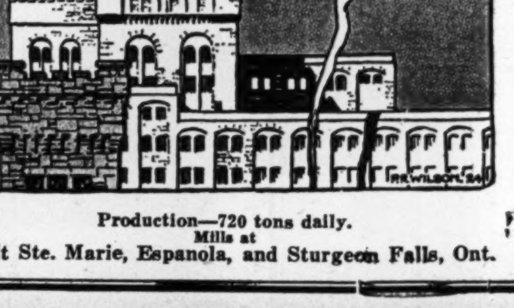
Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper



Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.

Wabasso Cottons
are Canada's best

WABASSO COTTONS include Sheets, Sheetings, Pillow Cases, Circular Cottons, Madapolams, Cambrics, Nainsooks, Longcloths, Lawns, Voiles, Twills; also a complete colour range in Mulls, Voiles, Check Nainsooks, Lingerie Cloths and Broadcloths in the newest shades.

The new Wabasso Silks are attractive fabrics made from finest Combed Yarns and Celanese. They are as pretty as the Rainbow.

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Three Rivers, Que.

Abitibi Power & Paper Company
Limited
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Head Office: Montreal Mills: Iroquois Falls, Ont.

Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office:
CHICOUTIMI, P.Q.

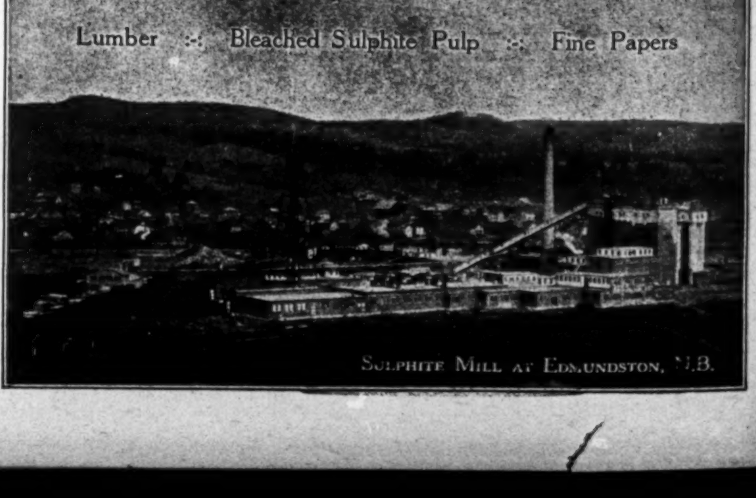
Cable Address:
"SAGUENAY,
CHICOUTIMI"

St. Maurice Valley Corporation

Successors to
Belgo-Canadian Paper Company, Limited,
Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited,
Three Rivers, P.Q.
Yearly Output—255,000 Tons Newsprint

Head Office:
MONTREAL-QUEBEC

PORT ALFRED PULP & PAPER CORPORATION
Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.


FRASER COMPANIES LIMITED
EDMUNDSTON, N.B.
Lumber :-: Bleached Sulphite Pulp :-: Fine Papers
SULPHITE MILL AT EDMUNDSTON, N.B.

DOMINION IRON OPERATES ABOUT 60% OF CAPACITY

Sydney Man Argues it Will Not Be Much Increased

From Our Own Correspondent.

SYDNEY—The colliery towns of Cape Breton, particularly Glace Bay, have profited hugely by the coal boom of the last year and a half, but the steel industry of the city of Sydney has remained "just fair," and the failure of the recent legal move to force a reorganization of British Empire Steel Corporation has not improved the outlook greatly.

A prominent and responsible citizen, who for obvious reasons cannot be quoted by name, to-day summarized his views of the situation thus:

"The steel plant is working 60 per cent capacity, and that is as well as the American plants are doing. No matter what the government may eventually do to implement the Duncan report, we cannot hope for much more than 60 per cent operation in Sydney, short of another war or some unforeseen artificial stimulant of the kind.

"At the present time we are getting 60 per cent of all orders for rails for Canadian lines of the C.N.R. Their steel for American lines they must, of course, buy in the States. The Soo gets the other 40 per cent. of the C. N. R. because of favorable location, and for obvious reasons it will continue to get most of the C. P. R. business.

700 Men on Full Time

"We are doing about as well as we can in the nail market, and cannot hope for any great extension of our sales of rods, wire, etc., even if government grants the company's requests in toto.

"Now at the present time we have 3,200 men on the payroll of the steel plant. Of this number approximately 700 are getting full time. The other 2,500 are working only two to three days a week.

"There is actually work at present for about 1,900 men full time, and when reorganization of Besco comes and the government is able to give what assistance it can, it is reasonable to hope that we could continue to keep the mills going at approximately their present output the year round.

Book Reviews

Stock Exchange Year-Book

The Stock Exchange Year Book for 1927, published by Thomas Skinner & Co., is the senior British publication which purports to give detailed facts of public securities and joint-stock companies known to the markets of the United Kingdom. It is a monumental work, and while not a volume of the so-called handy vestpocket size, it is so thoroughly and completely indexed that the person interested in British companies finds it a volume easy to use.

That it is thoroughly dependable is indicated by the fact that it is now in its 53rd year of publication and is the senior publication of its kind. All the information contained therein is compiled from official documents and officials of companies, registrars, etc., are given an opportunity to revise the material that enters into the book.

It goes without saying that the value of a publication of this kind depends wholly upon its accuracy of main fact and of detail. So far as The Financial Post knows, there is none more accurate than this volume published by the publishers of the well-known Stock Exchange Gazette and Canadian Gazette.

The headings of the chapters are interesting as indicating the groupings into which British investments naturally fall. First comes an alphabetical list of stockbrokers of the London Stock Exchange and kindred associations of Great Britain and Ireland and then following these chapters in the order named:

Government securities, home, colonial and foreign, including municipal; railways, home, colonial and foreign; banking and discount companies; insurance companies; gas, water and electric lighting and power companies; investment, trust and finance companies; tramway, omnibus and cab companies; telegraph and telephone companies; shipping, dock, canal and harbor companies; plantation companies; brewery, hotel and kindred companies; iron, coal and steel companies; mining, exploration and smelting companies; miscellaneous bonds; miscellaneous companies; and additional notices (which are in the nature of addenda).

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The Pipe Man
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Capital: $1,000,000
Reserve: 350,000
Complete Trust Service
covering
Wills and Trusts
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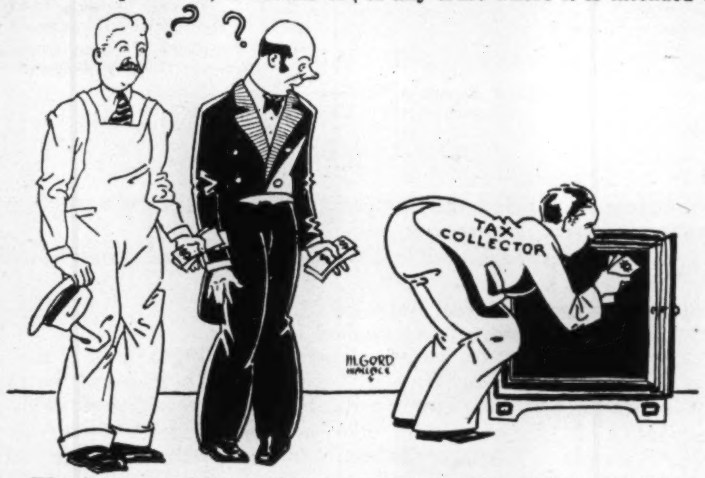
Saint John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL—138 St. James St.
23

Making Your Will

A Series of Discussions on Estate Building, Wills, Succession Duties, Etc.

Sixth Article: LEAVING ESTATES IN TRUST.

By RALPH C. GEDDES.



When bequests are left to employees or servants, provision should be made for payment of succession duties out of the estate; otherwise the bequests may be materially reduced.

We have seen* that to provide for two successions in the terms of the one will, i.e., to create trusts, is a means of saving approximately 50 per cent. of the succession duty otherwise payable on the same estate passing through the same two successions under two separate wills.

In those provinces which impose an additional tax on bequests over a certain amount passing to any one beneficiary there is a further saving that will be made. Ontario, Saskatchewan, Alberta, Nova Scotia, New Brunswick and Quebec all levy such a duty. Their rates of surtax vary to a considerable extent. Ontario has the highest, but it is not graded down to as small bequests as in the other provinces.

Thousands More Saved

Let us see the application of this surtax in Ontario to the estate which we used before as an example—$100,000, on which the general rate was 5 per cent. and which, by the way, is the rate applicable to this size of an estate in Ontario, Manitoba and Saskatchewan.

If left outright to the widow, there will be payable in addition to the general tax of 5 per cent., a surtax of 2½ per cent., since the whole of the capital is a single bequest to the one person. Total duty on one succession is, therefore, $7,500.

When bequeathed by the widow to the children, there is again a general tax of $5,000, but no surtax if no child receives more than $50,000 as its share. The total duty on the two successions is, therefore, $12,500.

But if left to trustees to pay a life interest to the widow, and after her death to divide the capital among the children, there is again a general 5 per cent. on the life interest. ($40,000) with no surtax payable; and 5 per cent. on the commuted value on the interests in expectancy ($60,000) with no surtaxes payable if there is more than one child. The total tax payable on two successions is, therefore, $5,000.

This saving of $2,500 has been made by eliminating surtaxes and it will be additional to the saving made in the application of the general rate, as shown in last week's article. On larger estates the surtaxes may not be altogether avoided, but they will be reduced by bringing the value of the bequests into lower categories, since the gift of an interest is almost always likely to be less than the gift of the capital from which the interest is derived. It will be seen that the greater the value of the life interest, the less will be the value of the interests in expectancy.

In the foregoing it has been possible to give an altogether exposition of this very interesting point, but it is hoped that a sufficient explanation has been made to enable any reader to calculate roughly, at least, the saving that he may make in his estate by creating trusts in his will of the whole or part of his capital. The tables of rates applicable in his province are easily available, or they can be found in The Financial Post Survey.

Applies to Other Trusts

Although the example has been taken of property passing to wife and children, the principle holds good of any trust where it is intended that final distribution shall be attained only after the death of an intermediate beneficiary. It may be considered in relation to a sister and her children, or a daughter and hers, or in any other connection whatsoever. The case of the wife and family is, of course, more particularly apposite, since a testator is likely to be much more concerned with saving as much of his estate as possible for his children than in doing so for nephews and nieces or even more distant relatives. Also, it is not suggested that any testator should make all his bequests in trust simply for the sake of the duty that may be saved. It is only an additional reason for doing so where excellent reasons already exist for adopting such a course.

Savings Pay Trust Company

There is however, in large numbers the man who has a family and who has left his estate to his wife and has appointed her executrix, partly as an easy solution to the problem of his will and partly for the sake of saving the executor's fee. His wife may have no particular business ability, and she and her children may need the protection of a trust fund. By a revision of his will, he can set up the necessary trusts and he can also save much more than enough in duty to pay the moderate charges of a competent executor and trustee whether he appoints an individual or a trust company. It is to such men as these, and to the equally large number who have not as yet made a will, that this question is especially important.

To those who have thoroughly considered the distribution and disposition of their estates, and have had their wills drawn accordingly, there is only the necessity for seeing that the proper provision has been made in them for the payment of the succession duty. Since the duty is charged against each bequest, unless it is directed in the will to be paid out of the estate, the duty on each gift will be a deduction from the share of each beneficiary. The testator may not intend this to happen even where the gifts are absolute. Thus in a large estate the bequest of $1,000 to an employee may be subject to a duty of 25 per cent. charged directly on that bequest, and the employee will receive only $750 as his legacy. Where life interests or interests for a term of years are bequeathed, it is altogether likely that the testator does not intend it, for it would cause a great deal of inconvenience and possible hardship to this class of beneficiary.

Providing For Duty Payment

Also, when trusts are created, unless the duty is made payable out of the estate, the executor cannot commute and pay the duties on the interests in expectancy, because there would otherwise be no fund out of which, to pay them. Consequently, the chance for a considerable additional saving would be lost. In this connection, the will should give the executor an express authority to commute all duties payable on interests in expectancy or remainder, in order that his right to do so shall not be subject to the consent of the holder of any prior interest.

Must Specify Beneficiary

Before leaving this part of the subject, it should also be noted that, where a will is drawn to give the life tenant the power by will to dispose of the capital from which his or her income is derived, the class amongst which it shall be distributed must be specified. Otherwise, it will not be possible to commute the duties on the interests in expectancy, since it will be impossible to determine what the rate will be. Bequests to lineals, collaterals and strangers-in-blood are liable to different rates, and the succession duty office must be able to know what the duties would be in the future before it can put a present value on them.

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*See The Financial Post of last week.

The Yukon river is navigable for large steamers from its mouth to Whitehorse, Yukon territory, Canada, a distance of about 2,000 miles.

The Royal Bank of Canada
Head Office, Montreal
Condensed Statement to the Dominion Government
April 30, 1927

LIABILITIES

Capital Paid up	$ 82,654,280.00
Reserve Fund	28,654,280.00
Undivided Profits	1,409,674.58
Notes in Circulation	37,362,569.94
Deposits	622,010,480.41
Due to other Banks	18,251,717.81
Bills Payable (Acceptances by London Branch)	4,944,961.84
Letters of Credit outstanding	35,455,641.62
	$776,743,606.20

ASSETS

Cash on Hand and in Banks	$109,246,186.76
Deposits in the Central Gold Reserves	11,000,000.00
Government and Municipal Securities	101,917,432.73
Railway and other Bonds, Debentures and Stocks	19,395,517.78
Call Loans in Canada	29,677,335.49
Call Loans elsewhere than in Canada	59,770,170.10
	$331,006,642.86
Loans and Discounts	391,103,878.63
Liabilities of Customers under Letters of Credit as per contra	35,455,641.62
Bank Premises	14,566,119.56
Real Estate other than Bank Premises	1,938,858.18
Mortgages on Real Estate sold by the Bank	1,427,465.35
Deposit with Dominion Government for Security of Note Circulation	1,245,000.00

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Diversified Industries Assure Prosperity and a Constant Labor Supply

EVERY manufacturer knows what a vital part settled and contented workers play in the success of his business. To be contented there is needed a sense of security, and surrounding that make for a happy home life.

Orillia offers both these things in full measure. Its forty odd industries are widely diversified, offering protection against any sudden break in an individual industry. The industrial future of the town is not tied up with one industry. As a result, labor is settled, labor unrest is unknown, and 85 per cent. of the workers are householders owning their own homes. They take pride in their homes and in the town, and this makes for an assured labor supply under all conditions.

Orillia Offers Many Other Advantages

It has power that can be delivered to manufacturers at a rate that cannot be equalled anywhere else in the Province.

It has admirable plant sites. The town itself owns seven parcels of land, a number with switching facilities, sewers and water already laid in. These can be secured at a virtually nominal cost by any industry of reputation.

Taxes are low, and the town is ready to grant a fixed assessment to new industries at a low rate for a reasonable number of years.

Transportation facilities are of the best. Both the Canadian National and Canadian Pacific Railways are in the town, and inter-switching privileges can be readily arranged. Orillia being in zone two has a favorable freight rate, being nearer Montreal by rail than Toronto by 13 miles.

Two provincial highways offer splendid road transportation, and Toronto can be reached by road within two hours. The Trent Canal also offers communication with the Great Lakes on the East.

Insurance rates are unusually low. The town has a modernly equipped fire department, and fire losses over a period of years have been merely nominal.

As a home environment Orillia has everything that will make for health, contentment and happiness.

ORILLIA

Definite information in regard to available plant sites, probable cost and any further information that will aid in the consideration of possible plant locations will be gladly furnished on request.

R. H. STARR - - Industrial Commissioner
ORILLIA, ONTARIO

NEWBOLD C. JONES
FREDERICK NEWTON
BRIAN HEWARD
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HIGHEST QUALITY — BEST SERVICE
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We maintain a Technical Service Division which stands ready at all times to co-operate to the best of its ability with the trade.
CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED
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National Breweries Position Satisfactory

Shares Look Attractive for "Long Pull" — Nothing on Horizon Which Would Affect Company Adversely — Future Earnings Should Show an Increase

From Our Own Correspondent.

MONTREAL—Like the Ontario brewers, the National Breweries will also benefit in a measure from Ontario's liquor legislature, now coming into force. Before Ontario went dry, the National Breweries always found a market for some of its output in that province, especially in the eastern sections where railway rates allow it to sell its beers at a competitive price with the Ontario brewing companies.

The company came into being in 1909 as a consolidation of thirteen breweries; other properties have been acquired since that time and now the entire output comes from four plants; the Ekers, Dow's and Dawes' plants in Montreal and the Boswell property in Quebec. In August 1925, the company acquired a substantial stock interest in the Frontenac Breweries. It can be seen therefore, that the output of National Breweries fills a predominant proportion of the entire beer demand in the province of Quebec. In fact, it is understood that the company's output amounts to over two-thirds of the production of the province.

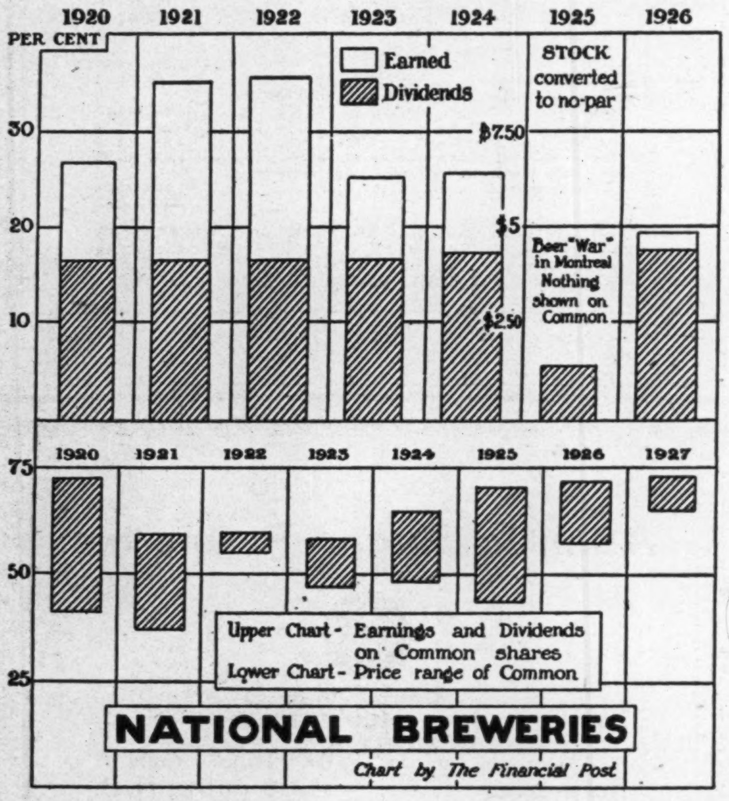

Chart by The Financial Post

Made Good Progress

From the time of its inception until two years ago, National Breweries made steady progress. At that time, a disastrous beer war broke out between two breweries in the province of Quebec and for some months, due to the low prices then prevailing, the earnings of the National Breweries were curtailed; this resulted in a decided decline in earnings in the 1925 year.

The price cutting only ceased when the Frontenac Breweries was acquired by a group headed by Senator Donat Raymond who paid $120 per share for both the preferred and common stocks of the Frontenac Breweries.

In this purchase, the National Breweries co-operated with Senator Raymond and the price paid amounted to $1,450,000 in all. Just exactly what percentage of the shares of Frontenac Breweries the National Breweries now owns is not known; but investors can make a good guess by noting that the investment account of National Breweries jumped from $54,001 at the close of 1924 to $1,200,833 at the close of 1925. Thus, National Breweries probably owns by far the greater proportion of all the outstanding Frontenac Breweries shares.

Common Stock Doubled

To finance this transaction in October, 1925, the company doubled the amount of its outstanding common stock; the financing also enabled the company to reimburse itself for extensions and additions which had been made to the property up to that time.

For the six or seven years preceding the close of 1925, National Breweries had expended some $5,000,000 in extensions to its plants, so that now it appears to be in a satisfactory position to take advantage, not only of the increasing market for beer in the province of Quebec, but also of the market in Ontario which is so soon to be opened up.

Earnings on the outstanding common stock for the seven year period ending with 1925, averaged more than 25 per cent., this notwithstanding the fact that nothing was earned on the stock during 1925.

Sales Have Increased

The company's sales during 1926 have been at a record level. The steadily increasing tide of tourist traffic which is yearly being attracted to the province of Quebec gives promise of a still further expansion in future. The demand in the export market during the past year has also been somewhat better than in 1925.

The company, which occupies a dominant position in the brewing industry of the province of Quebec, seems to be practically sure of a stable selling price for its output, for there is but one other brewing company of any magnitude in the province. It is thought that the latter, while it will continue to obtain its share of business, is in such a strong financial position that it would not need to resort to price cutting in order to obtain business. There appears to be no possibility of a recurrence of the 1925 beer war situation.

In 1919 the stock sold as low as $15 per share; in the following year it went to over 200, when the stock was split four for one and given a par value of $25 instead of $100. At the close of 1925 the stock was converted into shares of no par value and the shareholders were given the right to purchase one new share for every share held at $35 each. It can be seen that, despite the disastrous 1925 beer war, the shareholders have every reason to feel more than satisfied at the profits which they have made.

With no apparent possible recurrence of the beer war and with the company in a sound physical and financial position, it seems obvious that for the future the shares of National Breweries have every chance of experiencing a substantial appreciation over the "long pull."

The last annual report of the company showed that after all charges including depreciation the earnings applicable to the common shares amounted to $890,657 as against dividend requirements of $721,314. The margin of earnings over dividends is not particularly large, nor is it particularly narrow.

But these figures hardly tell the whole story of the showing which the company made in 1926. In the first place, towards the close of 1925 the company obtained its interest in Frontenac Breweries; and because of the beer war situation which prevailed at that time, there is no reason for not presuming that the National Breweries was forced to pay dearly for its shares in Frontenac and thus to bring to an end the unsatisfactory situation which curtailed the breweries earnings in that year.

Then at the close of 1925 the outstanding common stock was doubled and the dividend requirements of 1926 were thus twice as large as the dividends which were paid out in 1924. During a portion of 1925 the common dividends were discontinued, as the company was not making earnings due to the beer war.

Company Was Handicapped

But in the last fiscal period, despite its purchase of Frontenac and despite the largely increased dividend requirements, the company was able to turn out to its shareholders a report which showed that the dividend was earned by a comfortable margin—a result which was not altogether anticipated by some observers and which reflects credit on the management.

The consumption of beer in the province has steadily increased in past years and there is no reason to anticipate anything but a continued increase in the consumption—if for no other reason than that the Quebec Liquor Commission is endeavoring to promote the sales of wines and beers rather than the sales of spirits.

One indication of this policy is evidenced in the recent legislation whereby the taverns in the province of Quebec will remain open one hour longer each day. This in itself will probably have a definite effect upon the earnings of the company, coming as it does at the very time when tourists are beginning to flock to the province and also just preceding the summer months when the consumption of beer reaches its annual peak.

The Situation Summarized

To sum up, then, the various factors surrounding the shares of the National Breweries as viewed from a long hold point of view:

Despite various adverse factors which arose through the 1925 beer war, the company has been able to earn considerably more than its dividends and in addition is in an excellent liquid position; current assets being about five times greater than current liabilities and the working capital at the end of the last fiscal year being in excess of $2,200,000.

The balance sheet position generally is sound, and whilst in the assets there appears a goodwill item of $1,500,000, yet the liabilities show a surplus in excess of $2,780,000.

The company is the dominant producer in the province of Quebec where the demand has increased and probably will continue to show satisfactory increases annually. One of the things which will assist in increasing the demand is the increasing flow of tourists to the province who are attracted thither both in summer and in winter in increasing numbers.

Has Made Good Progress

With the single exception of the recession in earnings during the 1925 beer war, the progress of the company has proved more than satisfactory to the shareholders. Its progress should be continued.

There seems to be no chance of liquor legislation in the province of Quebec which would harass the management and make for lower earnings.

Thus the shares have every appearance of being an attractive purchase for the business man who is willing to hold the shares until such time as earnings are large enough to permit larger dividends. In any event, the prospect is towards larger earnings in the future, and it is upon earnings and not dividends that stock market prices are based. At present market prices, the shares yield about 5.7 per cent.

The company has a bonded debt of $1,082,500. The preferred shares outstanding total $2,775,000 and there are 180,343 no par value common shares.. The common shares are carried on the books at $5,410,285.

BACK TO CANADA

This stock issue represents the purchase by Canadian Interests of Northern Bakeries, Limited, a merger of Canadian Companies, hitherto controlled by United States capital. The new financing brings control and management of these old-established concerns back to Canada.

AS THIS ISSUE HAS BEEN SOLD THIS ADVERTISEMENT APPEARS AS A MATTER OF RECORD ONLY

New Issue

150,000 Shares

Northern Bakeries of Canada, Limited

(Incorporated under the Dominion Companies Act)

To own and control Northern Bakeries, Limited, and its subsidiaries

(Incorporated under the Dominion Companies Act)

Transfer Agent: The Toronto General Trusts Corporation *Registrar: National Trust Company, Limited*

CAPITALIZATION

(Upon completion of the present financing)

	Authorized	Issued
Capital Stock—No Par Value Common Stock	300,000 shares	250,000 shares
No Bonds.	No Preferred Stock.	

DIRECTORS

The Directors will be:—

Robert McMullen, *President*, Toronto, Ontario,
President, Northern Bakeries, Limited.

Will H. Harrison, *Vice-President*, Toronto, Ontario,
Director, Northern Bakeries, Limited.

Wesley Thompson, *Vice-President*, Windsor, Ontario,
Director, Northern Bakeries, Limited.

Dent Harrison, Montreal, P.Q.,
Director, Northern Bakeries, Limited.

James J. Aird, Montreal, P.Q.,
Director, Northern Bakeries, Limited.

F. Gordon Osler, Toronto, Ontario,
Director, The Dominion Bank.

J. F. Lash, Toronto, Ontario,
Messrs. Blake, Lash, Anglin & Cassels.

G. T. Chisholm, Toronto, Ontario,
Partner, Osler & Hammond, Stock Brokers.

F. K. Morrow, Toronto, Ontario,
Director, Bank of Toronto.

H. O. Neale, *Secretary-Treasurer*, Toronto, Ontario,
Director, Northern Bakeries, Limited

THE COMPANY

From information supplied by the Company:—

Upon completion of the present financing, the Company will own the entire capital stock (other than Directors' qualifying Shares) of Northern Bakeries, Limited.

Northern Bakeries, Limited, was incorporated in 1925 and has acquired through stock ownership and transfer the businesses of:—

James Strachan, Limited, Montreal, established 1865;
James M. Aird, Limited, Montreal, established 1877;
Dent Harrison & Sons, Limited, Montreal, established 1894;
Neal Baking Company, Limited, Windsor, London, St. Thomas and Sarnia, established 1894;
Ideal Bread Company, Limited, Toronto and Hamilton, established 1908.

As a result of the acquisition of these plants Northern Bakeries, Limited, is operating nine bakeries in centres serving approximately 3,000,000 people. The bakeries are all modern, well maintained and equipped with modern and efficient baking machinery.

From a business point of view the baking industry is an ideal field of endeavour. The principal product is a daily necessity. The process of manufacture requires but a few hours and the finished products are immediately disposed of. Practically all sales are on a cash basis. It is necessary to carry only small inventories comprised of staples, such as flour, milk, sugar, salt, yeast and butter.

SECURITY

The Company has only one class of stock, namely: Common Shares without any nominal or par value. There is no bonded debt, nor are there any preferred Shares.

ASSETS

The land, buildings, plant and equipment comprised in the business were appraised by the Canadian Appraisal Company, Limited, about the 31st of December, 1924, at over $4,500,000. New additions have been taken at cost and further depreciation set up at over $500,000. As shown by the balance sheet below set out current assets amount to over $1,100,000, of which over $673,000 is cash, while current liabilities amount to less than $213,000, showing an exceedingly strong liquid position.

In the consolidated balance sheet below mentioned, the book value of goodwill of the company has been reduced by writing off an amount of over $2,170,000.

EARNINGS

The earnings of the company for the past two years are shown below. Based on the introduction of certain economies in overhead and operating expenses it is confidently anticipated that the net profits of the business will be materially increased.

MANAGEMENT

The management of this Company and of Northern Bakeries, Limited, will be in the hands of Mr. Robert McMullen and his associates on the Board of Northern Bakeries, Limited. Both Mr. McMullen and his associates have had long and successful experience in the bread and cake industry, and with the business in such experienced and capable hands, efficient executive management is assured, and all are taking a financial interest in the Company.

NORTHERN BAKERIES OF CANADA, LIMITED, and its Subsidiary Companies
Consolidated Balance Sheet as at 9th April, 1927, Giving Effect to Present Financing

ASSETS

Cash on Hand and in Bank	$ 673,984.80	
Accounts Receivable, less Reserve for Doubtful Accounts	184,929.54	
Inventories of Finished Goods, Materials and Supplies	241,651.65	
		$1,100,565.99
Prepaid Taxes, Insurance, Licenses and other expenses		13,426.18
Land, Buildings, Plant, Machinery and Equipment at depreciated replacement values according to 1924 Appraisals, with subsequent additions at cost	$4,647,674.48	
Less: Reserve for Depreciation	503,255.03	
		4,144,419.45
Goodwill, Processes, Formulae and Trade-marks		682,304.44
		$5,940,716.06

LIABILITIES

Current Liabilities:		
Accounts Payable and Accrued Charges	$157,149.86	
Salesmens' and Drivers' Deposits	55,624.72	
		$ 212,774.58
Mortgages Payable		102,941.48
Capital Stock of Northern Bakeries of Canada, Limited:—		
Authorized 300,000 Common Shares of no par value.		
To be issued 250,000 Common Shares of no par value		5,625,000.00
		$5,940,716.06

AUDITORS' CERTIFICATE

We certify that, in our opinion, the above Balance Sheet correctly sets forth the position of Northern Bakeries of Canada, Limited, and its Subsidiaries after giving effect to the present financing.

We further certify that, after taking into account payments under certain contracts, since cancelled, the profits of Northern Bakeries of Canada, Limited, and its Subsidiaries for the two years and fifteen weeks ending 9th April, 1927, were as follows:—

PROFITS

	Profits before providing for Depreciation or Income Tax	Provision for Depreciation	Provision for Income Tax	Net Profits
Year 1925	$669,025.86	$240,895.00	$38,351.77	$389,779.09
Year 1926	657,394.18	241,048.00	33,562.04	382,784.14
Fifteen Weeks to 9th April, 1927	198,113.43	69,532.00	10,334.09	118,247.34

Toronto, 31st May, 1927.

Clarkson, Gordon & Dilworth,
Chartered Accountants.

It is the intention of the company to make application at an early date to list the shares on the Toronto and Montreal Stock Exchanges.
All legal matters in connection with this issue are being approved by Messrs. Blake, Lash, Anglin & Cassels.
We offer the above shares if, as and when issued and accepted by us, and subject to the approval of legal details by Counsel.

PRICE: $27 per Share

OSLER & HAMMOND

21 Jordan Street - - - Toronto

Members Toronto Stock Exchange
Members Montreal Stock Exchange

May 31st, 1927.

The statements contained herein are based upon information which we believe to be reliable, although we cannot guarantee their accuracy.

Public Utilities

BRAZILIAN HEAD INTIMATES ISSUE OF NEW CAPITAL

Sir A. Mackenzie Decries Some Rumors Concerning Traction Property

Sir Alexander Mackenzie, president of Brazilian Traction, is visiting Canada. In various interviews, he has said that the improved position of the company's stock is probably due to better appreciation on the part of the public of the possibilities of the company. He denied that there is anything in the offing concerning a disposal of the company's telephone properties and franchises.

It is probable that several directors' meetings will be held while the president of the company is in this country, although it is not evident that the suggested split in the stock of the company will be broached. It has been suggested from time to time from sources outside the company that a split in the common stock—probably three for one—would enhance its popularity to a marked degree.

Nothing definite has been announced as to the company's program regarding further capital expenditures. Sir Alexander intimated that, if it becomes necessary to raise more capital, the money likely would be sought in Canada or Britain, rather than in Brazil. At the same time, he suggested that it might not be deemed necessary for the company to seek further funds. No debt of a permanent nature has been assumed since 1912, although in this time the company has ploughed into the property huge sums out of earnings.

All the improvements effected by Brazilian in recent years, or since the war have been of a permanent nature.

Telephone Rate Appeal Has No Effect on Stock

From Our Own Correspondent.

MONTREAL.—The strength in the shares of the Bell Telephone Company indicates that the shareholders are little frightened at the appeal taken by the Province of Ontario against the decision of the Board of Railway Commissioners granting increased rates to the company in Ontario and Quebec.

The appeal is being heard by Premier King and his Cabinet and despite the lurid attacks on the Board of Railway Commissioners by R. A. Reid, of Toronto, the maintenance price of the Bell Telephone stock indicates that the shareholders are paying scant, if any, attention to the litigation.

Mr. Reid opened his attack on the Bell Telephone Company by attacking the Board of Railway Commissioners whose decision he claims should be set aside.

Prospects Bright in Lethbridge Northern Irrigation Area

Highly encouraging prospects for the 1927 season in the Lethbridge Northern Irrigation area are reported by Premier Brownlee and Hon. V. W. Smith on their return to Edmonton from a conference with members of the advisory board in Lethbridge. It is expected that the acreage under cultivation in this part of the province will be considerably increased this year.

Public Utility Earnings

NORTHERN MEXICO POWER AND DEVELOPMENT

April—	1926	1927	Increase	%
Gross	102,339	128,987	26,648	26.03
Net	81,798	109,012	27,214	33.27
Four Months—				
Gross	403,128	510,110	106,982	26.53
Net	323,974	428,612	104,638	32.26

PUBLIC UTILITY EARNINGS
(Barcelona Traction)

April	1927 Pesetas	1926 Pesetas	Increase Pesetas
Gross Earn.	7,058,939	6,905,348	153,596
Oper. Exp.	2,049,891	2,221,705	*171,814
Net Earn.	5,009,048	4,683,638	325,410
Aggre. Gross from Jan. 1st	30,513,816	29,908,254	605,562
Aggre. Net from Jan. 1st	21,893,758	20,940,687	1,043,071

* Decrease.

Change in Ford and Dodge Cars Aids Hayes Wheels

Operation of Hayes Wheels and Forgings, Ltd., during the first quarter of the current year are said to have been at capacity and that the company now has on its books more orders than has been the case for some time. This is in a large measure due to the change in tariff on April 1st last as regards the drawback on import duty on automobile parts and accessories. As a result the company has been experiencing exceptional business and plants are operating full shifts in order to make deliveries on time.

The fall months are usually a slack period for the automobile accessory manufacturers but this year, Hayes Wheels and Forgings expect to continue operation with no let up in present activity. This is due to the fact that both Ford and Dodge Bros., have announced new models, which will come on the market sometime late this fall. While orders have not been placed, Hayes Wheels expect to secure substantial business from both of these companies, with whom they have had dealings for some time past.

Wabasso Cotton Stock Leaps to High Level

From Our Own Correspondent.

MONTREAL.—There appear to be no new developments which would account for a rise in the price of Wabasso Cotton stock to 98—a new high record level for the shares. From the shareholder's angle, the upswing in the stock is the more satisfactory as within recent months Wabasso increased the amount of its common stock outstanding by 50 per cent. Formerly there were 35,000 shares of no par value outstanding, and the company increased this to 52,500 shares by offering one new share at $60 for every two shares outstanding.

The proceeds of the sale of new stock is being utilized in extending the Three Rivers plant and in adding new looms to the equipment. It is understood that this work is pretty well completed and that the company will soon be in a position to obtain increased earnings from this expansion.

The fiscal year of Wabasso ends on June 30 next, when it is understood that earnings will show an increase over the 1926 level. One of the reasons for the strength in the stock has undoubtedly been the recent rise in the shares of the Dominion Textile Company, which pays its shareholders annually the same amount per share as Wabasso. As it is a larger company, its stock is now quoted about 17 points higher than Wabasso.

On the other hand, it is generally understood that during the past year, Wabasso has been doing a better business than some of the other textile producers.

Another reason for the appreciation in the shares lies in the fact that the stock is very closely held—even at the higher quotations there has been but little trading in the issue.

Copeland Plant Becomes Peace Bridge Brewery

Col. John A. Currie, M.P.P., announces the purchase of the Copeland Brewery, King Street East, Toronto, on behalf of the Peace Bridge Brewery. The intention, it is said, is to brew beer to please the American taste. The Americans, as a rule, are said to favor a light lager.

It was originally intended to build a new brewery somewhere in the Niagara district near the Fort Erie Peace bridge, but this project evidently has been abandoned.

Howell Warehouse Co. will continue to use the property it now uses on King Street East, Toronto, it is announced.

Another Producer in Sunburst Field

A brisk demand for oil lease acreage in the extreme south of Alberta has followed the announcement that a flow of high quality crude oil has been struck at a depth of 2,335 feet in the Hart-Green well located two miles south of the International boundary in the Kevin Sunburst field.

SALE OF TELFER BRINGS NATIONAL BISCUIT IN FIELD

Preferred Shareholders of Toronto to Get Remainder After Mortgage Payment

National Biscuit Co. enters the Canadian field with the purchase of Telfer Biscuit Co., for $300,000 cash. Shareholders of Telfer Biscuit Co. have ratified the sale. The purchase money is to pay the mortgage indebtedness of the company, amounting to $95,000 and the balance will be distributed among the holders of 3.841 preferred shares of $100 par value. Dividends are in arrears since 1923.

The balance sheet of the Telfer Biscuit Co. as at December 31st last showed a corporate deficiency of $98,255, which was an increase from $88,802 at the date of reorganization in 1924. Current liabilities totalled $171,717, including secured bank loans of $142,229. Current assets were given at $160,838. Fixed assets were shown at $460,449.

National Biscuit Co. is the largest biscuit company in the United States, operating more than 50 plants in various parts of the country. The company obtained a Dominion charter several years ago, with a view to entering the Canadian field.

J. V. Sorsoleil & Co. New Investment House

Announcement is made of the formation of the investment banking firm of J. V. Sorsoleil & Company, for the conducting of a general bond and brokerage business. The company's offices are located at 21 Jordan Street, Toronto.

Mr. Sorsoleil, the head of the new firm, has been associated with A. E. Ames & Co., for over eight years, both in their bond and stock departments.

Shareholders Approve Mex. Power Co. Reorganization

Shareholders of Mexican Light & Power Co., have approved the plan of reorganization recently submitted by the directors and reported in The Financial Post. A total of 47,125 preference shares and 110,254 common shares voted in favor of the proposal, there being no dissent. The object is to satisfy the arrears of dividends on the preferred shares. Mexican Tramways, the controlling company, accepts non-interest bearing notes in satisfaction of claims against the company for cash advanced.

A representative of some English interests raised a question as to how long earnings would continue to be plowed back into the property and when dividends might be expected on the preferred shares. President Miller Lash replied that it was impossible to suggest how much of the future earnings would be available for dividends in view of the uncertainties which exist in Mexico. The same representative contended that the plan under consideration, amounted to "getting more paper for the paper we already hold." Mr. Lash indicated that the plan had been approved by committees of all parties concerned and ratified by 78½ per cent. of the preferred shareholders. Replying to a further question, he pointed out that the $4,000,000 owed by the Mexican Government was for services rendered, but not paid for. The Mexican Government had freely admitted the debt, but had not yet seen their way clear to pay it off. In recent years he stated current accounts had been pretty well settled, although during the past year there has been some tardiness shown in meeting their obligations.

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January, 1926 — 31 cents per share
July, 1926 — 41 cents per share
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Price: $12.00 a share to yield about 7½%

Descriptive circular on request.

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R. L. ELLIS, Vice-President

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TORONTO, JUNE 3, 1927

MOTOR TRUCK PROBLEM

MILLIONS of dollars have been spent during the past decade in providing good roads for the rapidly increasing number of automobiles. While no objection can be made to the use of these highways for private passenger cars, it is felt that some measure of control should be put in force governing the use of motor trucks.

For a time this move was agitated by railway companies, particularly in the United States. With the passing of years, however, steam railway operatives found that there was a definite need of the motor truck and that it took little or no business away from them. Moreover, they also found the truck to be a valuable adjunct to their own services, being more economical and more serviceable for short-haul freight and express business.

The point now in dispute is that the use of the motor truck, aside from centralized distribution, should be regulated much in the same manner as the steam railways—by a government commission. It is claimed that both are common carriers and as such one should not be discriminated against to the advantage of the other.

In this issue T. E. McDonnell, vice-president and general manager of the Canadian Pacific Express Co., sets forth his ideas on the subject while Prof. W. T. Jackman describes the growth and economic value of the truck. Both of these men are recognized authorities and their articles should be read and studied by everyone directly or indirectly interested in this problem for the time is not far distant when something will have to be done to bring this new form of transportation under immediate government supervision.

Mr. McDonnell seeks to have the "new competition" put under the sort of control that affects his company, Prof. Jackman does not want an infant industry strangled at birth.

BEHIND THE FLIGHT

NO MAN was ever more deserving of a lavish bestowal of praise than Charles A. Lindbergh, who flew from New York to Paris with only his aeroplane as his companion. His quiet modesty has made his a fame the more enduring. But there should be, among the plaudits, a word for the men behind the gun. A group of St. Louis business men backed Lindbergh—bankers, merchants, manufacturers, etc.

Behind most such efforts will be found generous, patriotic business men ready to back courage and personal effort and thus to make achievement possible.

It is an American business man who is making a search for the gallant Nungesser and his companion, Coli, possible.

Popular writers, who decry a dollar-mad world, should not overlook the fact that the hard-earned dollars of business grease the wheels of science.

THE ROAD TO WEALTH

A NUMBER of people have retired from business to live on the dividends that they are now earning from originally modest investments in the stock of Consolidated Mining and Smelting Company. Others have made comfortable fortunes out of investments in Shawinigan Water and Power Company or Montreal Light, Heat and Power Consolidated. Fortunes are now being built by the consistent rise in the shares of International Nickel Corporation, Massey Harris Company and Steel Company of Canada.

While this is going on, thousands of people, who can not afford to lose anything at all, are dropping sums that are to them important in trading "penny" stocks of mines that have not yet produced a dollar's worth of ore.

There is no royal road to wealth, a statement that is so hackneyed that its force is not fully appreciated. But there is one way that it is almost certain to lead to the foot of the rainbow. That is to invest in companies with established earning power, that are developing Canada's resources under the direction of able and honest leaders and that have already demonstrated earning power. This is particularly true of the mines and the power companies. Prices of the producing mines and the established utilities seem to be very high; so high that the average investor feels that the future has been over-discounted and a break is due. But a well diversified investment, placed in a group of such securities, is practically certain over a term of years (not necessarily in a few weeks or months) to enrich its purchaser.

A CANADIAN ASSET

OVER 80 per cent of the capital stock of the Ford Motor Company of Canada is held in the United States. Yet Ford of Canada is nevertheless a great Canadian institution as its advertising constantly reiterates.

Ford of Canada is an outstanding proof that the color of a company's capital stock ownership has nothing to do with its value to Canada. American capital is at all times welcome in Canada but American capital can not Americanize this country beyond the extent to which we are willing to adapt American ideas, without coercion, and because they harmonize with our own ideas of social and economic progress.

Ford of Canada buys in Canada every dollar's worth of materials that can be obtained here. It employs thousands of Canadian workmen. Its officers are Canadian. It was founded by a Canadian, the late Gordon MacGregor, and his associates continue to run the company. The Financial Post is also informed that the complexion of the stock ownership has not changed since the company was founded.

American capital does not build American institutions in Canada. It builds Canadian institutions; particularly when the men who are doing the work have the same ideals and ambitions as stir the builders of Ford of Canada.

THE BETTER WAY

ONE of the burdens that Canadian taxpayers have been spared is any substantial contribution of government funds to systems of workmen's insurance, health insurance, old age insurance, and other forms of social insurance. True we have certain social legislation such as mother's allowances and old age pensions that involve the dominion and the provinces in some expenditures for sociological reasons but the gigantic state insurance schemes that are a feature of British and continental industrial relationships are not a Canadian problem.

Britain, for instance, has taken on a scheme of social insurance, providing for payments to the widows and orphans of deceased workers, that has already created a liability of nearly $4,000,000,000 for the state and that will in time cost the people of Britain $500,000,000 a year to maintain.

Canada is drawing immigrants from Britain and from other continental countries that have developed such schemes. Will the workers, when they come to Canada, demand similar schemes aided by public funds.

Arthur Pedoe, actuary of the Continental Life Insurance Company, who has been writing a series of articles for the insurance page of The Financial Post, preliminary to the World Congress of Actuaries in London later this month, argues, in an able article in this week's issue, that the development of group insurance will be a factor in making such a burden unnecessary in Canada.

Not only group insurance, which now spreads its protecting blanket over the workers in hundreds of Canadian plants and offices, but industrial insurance—the poor man's life policy—and the ordinary forms of life and endowment insurance are serving to protect Canadian homes without the necessity of state interference.

There is still room in Canada for a life insurance development far beyond our present attainments. Canada's army of life insurance salesmen will no doubt continue to expand our life insurance totals as they have done in the past. And they are developing in Canadian workers a spirit of self-reliance that state schemes of insurance can not engender.

TO SCRAPE OR NOT

SHALL we scrape the skies or not? This question is likely to become a live question in a number of Canadian cities; it is causing a great deal of discussion now in the United States. Toronto and Montreal are the only Canadian cities with buildings pretending to run into the sky-scraper class although Vancouver and Winnipeg have some tall buildings.

The sky-scraper is being forced to defend itself across the line. The tendency to concentration of the business area of big cities, with the attendant problems of traffic, light and air, has developed an intense campaign against high buildings in many cities.

Architects such as Harvey Wiley Corbett and others who have built some of New York's handsome tall buildings, rise to defend the sky-scraper. They consider the tall building necessary to modern-day business, which requires so much personal contact and must, therefore, bring people, in a single business centre, as closely as possible together. The answer to the problem, they say, is not to reduce cities to a ten-story level but to improve traffic arrangements, providing raised sidewalks, etc.

Canada is fortunate in this respect; that the problem of whether a city should grow up or out is being solved for her in the United States before it becomes acute anywhere in this country.

Incidentally, the National Association of Real Estate Buildings has taken a definite step to collect authoritative views by offering $1,000 for the best answer to the question, "What is the economic height of buildings?"

COMMON LAW OF BUSINESS

THE common law of England was built up of groups of people learning that certain practices and policies were sound and just and determining to adhere to them. Thus the basis of law in the British Isles and in English-speaking America is the result of individual decisions to do the right thing. Sound law and fair dealing spring from human intercourse and are not the synthetic productions of law-making bodies.

Trade associations, that set out to eliminate business abuses which have developed, and that formulate standards of practice, are making their own laws in the same manner that the common law has been built up.

It is when business men ignore trade and industrial abuses and misunderstandings arise that it becomes necessary for legislative bodies to step in to correct the situation. And when the law makers attempt the task that business men should have done for themselves the consequences are usually appalling.

This is the doctrine of self-government in business; a doctrine that is sweeping the continent. The best business leaders of to-day are irrevocably committed to free and wholesome competition but they are also firmly opposed to wasteful and unfair competition; opposed to any lack of consideration of the public; and antagonistic to the abuse of common confidence. When they apply these principles to their individual work and in the efforts of their trade associations they make it unnecessary for bunglers to attempt what business men can best do themselves.

INDUSTRY IN THE WEST

THE Canadian Manufacturers' Association at its annual meeting in Calgary this week reported a net loss of 10 in its membership for the year, the total now standing at 4,147. This loss is, of course, regrettable and reflects, as much as anything, the lack of advance in the miscellaneous lines of industry in Canada during the past few years, a condition that is now correcting itself.

The chief interest in the membership report of the association must lie in its revelation of the advance of industry in Canada's western provinces. The C. M. A. is able to point out:

> The increase in the association's membership in the Prairie and British Columbia divisions is very gratifying, and reflects great credit on the divisional committees in charge of the work in these provinces.
>
> In 1900 the association had no members west of the Great Lakes; in 1910 there were 236; now there are 975.
>
> In 1916 there were only 289 members in the three Prairie Provinces of Alberta Saskatchewan and Manitoba, which now constitute the Prairie division. Now there are 572. When the Alberta branch was organized and the Edmonton office opened in September, 1923, there were 88 members in Alberta; now there are 207. There were 65 members in British Columbia in 1916; now there are 403.

Western Canada is gaining an industrial consciousness. This is well, for it will lead to a better understanding in the West of the problems of the East, while the C.M.A.'s western members will be able to bring to the association the viewpoint of the West.

EDITORIAL NOTES

If Lindbergh wore all the accessories and used all the commodities the advertisements say he did it is a wonder his plane ever took off from the flying field on Long Island.

* * *

Some of the ladies connected with the Municipal Chapter of the I.O.D.E. in Toronto are afraid that recent references in The Financial Post to the exploitation of Canada's Jubilee may reflect upon their very excellent work in planning a pageant as a part of their patriotic and charitable effort. The Post has the very highest regard for the work that is done by the I.O.D.E. and its members, who are untiring at all times and exceedingly practical in their many enthusiasms. The Toronto pageant, we are informed, is being conducted on a basis that absolutely insures the I.O.D.E. from loss and that, on the other hand, gives them an excellent opportunity of raising substantial funds for their various charities, particularly for the War Memorials Fund that they have been in process of raising for some time. Apart from this feature of the work, the pageant will serve to stimulate interest in Canadian history and to arouse patriotic sentiment, both of which are commendable objects. In warning against any unsavory exploitation of Canada's jubilee by fake souvenir program promoters or professional charity managers, The Financial Post hopes it has not aroused any resentment against this particular work, and similar efforts by organizations of the standing of the Daughters of the Empire.

An Englishman Looks on Canada

British Writer Sees Canada as Land of Abounding Prosperity, Certain to Develop Rapidly

By ANTHONY J. McMILLAN.

Has Crossed Atlantic 100 Times

Anthony J. McMillan was born in Great Britain, but in his earlier days was for some years in Western Canada. About thirty years ago, Mr. McMillan was for a time chief representative of the Manitoba government in Eastern Canada—with headquarters in Toronto—and did much to direct the movement of emigration of that day from Ontario to Western Canada.

Later, he was appointed agent-general for Manitoba in Great Britain. For many years past, Mr. McMillan, who makes London his headquarters, has been associated with British financial interests, and was for a long time managing director of Le Roi Mining Co., in Rossland, British Columbia.

As Mr. McMillan has crossed the Atlantic nearly 100 times, he is well acquainted with conditions in Great Britain and in Canada.

In the course of his last visit he toured Canada from the Atlantic to the Pacific and interviewed everybody of outstanding importance, including the prime minister, railway presidents, bank chairmen and leading men in every branch of industrial and commercial activity.

Within the last eighteen months it has been my privilege to travel across Canada four times. That is to say, I made two round trips between Halifax and Victoria, visiting many important cities en route. The first of these visits was in the fall of 1925, and the second in the fall and early winter of 1926. On each occasion on returning to England I wrote in the London "Financial Times" a series of articles on Canadian economic conditions, in which I called attention to the splendid opportunities there are in Canada, not only for British settlers, but for trade, and for the investment of British capital. These articles attracted widespread attention, and many of them were subsequently issued in booklet form for wider distribution.

A short time since the editor of "The Financial Post" wrote to me and said "Now that you have told the Englishmen about Canada, it might be very interesting for you to speak to Canadians on the subject of what you have learned about their country, and also on the prospects of the investment of British capital in this country."

I have much pleasure in accepting this invitation, and though the subject is a large one, I will try to deal with it so far as this can be done within the space of two or three short articles.

One of World's Richest Countries

In travelling about Canada I met many influential and representative men in every part of the Dominion, and as many of these were old friends we discussed frankly and freely not only Canadian and United States conditions, but conditions in Great Britain, and other parts of the Empire. After making careful enquiries I have come to the conclusion that Canada is to-day one of the richest countries in the world, and that taking into account its vast undeveloped resources, especially in connection with land, timber, minerals, and fisheries, it presents attractions to settlers, and opportunities for the profitable investment of capital which are probably unexcelled.

During my travels several things struck me very forcibly, and these might be briefly summarised, thus:

1. The abounding prosperity in Canada.

2. The desire expressed all over the Dominion for a vigorous immigration policy and a strong feeling that a far larger percentage of the immigrants should be of British origin.

3. The anxiety to secure more British capital to aid in the development of Canada.

It is not necessary that in these articles appearing in a Canadian paper I should take up space to write at length about Canadian prosperity, or as the man on the street would say "boom Canada." Canadians are quite capable of doing that for themselves.

Only Needs Truth Told

I often tell my friends in Great Britain that Canada is such a good country, and so rich in natural resources that it does not need booming; all it needs is that the truth should be told about it.

Notwithstanding all this, those of us who know Canada are well aware that there are many difficulties to be met with, as there are in all countries and wrestling with difficulties is apt to produce discouraged and discontented citizens, whose outlook on life is anything but helpful to the community at large.

I met such men in Canada both east and west, and listened sympathetically to what they had to say. And let me say here that most of the complaints I heard were from men born in Canada, not from British immigrants.

Burden of C.N.R.

I was constantly being told about the tremendous burdens imposed by the public ownership of the Canadian National Railways. The burden is a heavy one no doubt, but according to official reports it is getting lighter.

The truth is, of course, that Canada is over-supplied with railways, and that there are more facilities than are needed by the present population. This is a legacy from the boom period of pre-war days. The rectification of this situation lies in increased immigration, of which I shall have more to say in the next article. Then I heard a great deal about the hardships of Canadian taxation. As compared with the people of Great Britain, Canadians know but little about taxation. Though I am quite sure they feel that the taxes are higher than is altogether pleasant.

Canadian and British Taxes

If I remember aright the Canadian budget this year provided for an expenditure of $354,000,000.

The British budget introduced last April provided for an expenditure of over $4,100,000,00, a sum nearly twelve times greater than that asked for at Ottawa. Though the population of Great Britain is only 4½ times larger than that of Canada. Included in the British budget is the sum of $575,000,000 for defence services, $290,000,000 of this being for the navy, which in conjunction with the diplomatic and consular services looks after the interests of British citizens (including Canadians, Australians, Africans and others) in all parts of the world. We have a good illustration of this at the present time in China where all who can claim citizenship in the British Empire look to the British authorities for protection.

From 1919 to 1926, Great Britain has paid to the United States government on account of war debts, the huge sum of $850,000,000, and during the same period she has received from Germany under the Dawes plan, and from War Allies $200,000,000 leaving a net amount paid to the United States of $650,000,000. In addition we are expected to go on paying about $160,000,000 annually to the United States government for the next sixty years.

Some Britishers Object

Though very little is said about it in public, there is a strong feeling in this country that Great Britain ought not to be called upon to pay this sum to the United States government, which is just as much her own debt as it is that of Great Britain or the other nations who were allies of the United States in the Great War. Many of the best men in the United States are strongly opposed to the action of their own government in this matter, but the men who run Congress say Great Britain must pay, and we are paying.

These vast expenditures, not wholly on her own account, and largely the aftermath of the war, are keeping Great Britain comparatively poor and partly explains how it is that so little British capital is at present going to Canada.

Notwithstanding all that I heard in Canada regarding the burdensome railway situation and about high freight rates (which rates by the way are amongst the lowest in the world) and about taxation generally, it seems to me that taking a broad view of the situation there is every reason to feel encouraged, especially when one remembers that the last dominion census showed that within 30 years the population in the prairie provinces had increased nine-fold, and that during the same period the land under crop in the west increased from 1,400,000 acres to nearly 40,000,000 acres, which latter figure is less than 25 per cent of the cultivable land as estimated by the Dominion government. Furthermore the introduction of new varieties of wheat such as Marquis, Garnet and Reward, which mature several weeks earlier than the Red Fife Wheat so much grown in the early days in Western Canada, indicates the extension of the wheat belt northward and the additions of millions of acres to the possible wheat growing area.

New Wheats Very Important

The importance of this to Canada cannot well be over-estimated, and is an outstanding example of the splendid work carried on in connection with the Dominion Government Experimental Farms.

I was rather surprised in travelling across Canada to meet quite a number of men who told me they were afraid that Great Britain was going down-hill, and was practically finished.

I assured them that they were quite mistaken, and that as a matter of fact things were looking up over here until the general strike came on last year. That was a nasty knock, it is true, but one can never forget the magnificent manner in which the people rallied round the government, and within a few days killed the general strike.

It will be a long time before men and women of this kind are knocked out.

Montague Norman Optimistic

Montague Norman (governor of the Bank of England), recently stated "I am optimistic regarding Great Britain's business outlook for 1927. With the coal strike behind England should now enjoy an era of prosperity."

Trade is not good, but in view of all that happened in 1926 it is wonderful that it is not worse. The great banks whose balance sheets reflect trade conditions, reported continued progress and at the end of 1926 showed increased deposits and also increased advances. The deposits of the London Clearing Banks April last amounted to 8,590 million pounds. The bank clearings in 1926 declined somewhat when compared with 1925, but in London alone they amounted to nearly 40,000 million pounds sterling. In Manchester they amounted to £685,000,000, and in Liverpool to £400,000,000. In 1926 new companies were formed in Great Britain with an aggregate capital of £203,000,000, and it should be noted that shares are not issued at a discount in this country. Twenty of these companies had a capital of over £1,000,000 each and amounted in the aggregate to £109,000,000. This indicates a tendency towards amalgamations and reconstructions, to meet the new conditions existing in business to-day. There are great and successful companies with up-to-date equipment, and with ramifications in all parts of the world, such for instance as Lever Brothers, with a capital of £130,000,000; Imperial Chemical Industries, a new company with a capital of £65,000,000, whose chairman is Sir Alfred Mond, M.P., who has large business interests in the Sudbury district; and Courtaulds, the largest artificial silk manufacturers in the world, whose capital is £20,000,000 and who recently started a large factory at Cornwall in Ontario.

Urges Study of British Market

For some time past I have been urging British manufacturers and merchants to go to Canada with a view to doing more business there, and I would urge Canadian buyers more and more to study British markets.

Last year only about seventeen per cent of Canadian imports were from Great Britain, and one feels that this could be improved upon with advantage to both countries. But I propose to deal with this and other trade matters in a later article, calling attention to certain aspects of British trade with other parts of the Empire and the tendency to invest capital in countries with which there are the most intimate trade relations.

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Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Hayes—Wheel—Cosmos

I would like your opinion on Hayes Wheel and Forgings, common, and Cosmos Imperial, common, for a quick turn and for a hold.

The common shares of the Hayes Wheel and Forgings, and Cosmos Imperial Mills, are both attractive for holds. We do not pretend to be able to predict what stocks are good for a quick turn in the market. We think, however, that these two issues should appreciate in value over a term comparatively brief.

An attractive convertible preferred stock is that of Laura Secord. This would give you a fairly good yield and could be converted into three common shares for each preferred held at any time the transfer became profitable.

Hiram Walker

I have some Chysler Motor stock, purchased at around 40, which I am thinking of selling and buying Hiram Walker and Marland Oil. I would be glad if you would give me your opinion of the two stocks. According to reports, Walker's should be good for an advance and Marland Oil seems to be a company with excellent reserves and in good shape. The recent drop in it should bring it close to a good buy.

The outlook for the oil stocks at the present time probably is not so bright as it has been for a number of years. However, over a term of years, it is probable that the investment in Marland Oil will result satisfactorily.

It is noticeable that various companies in the motor industry have had their good and bad years, although the industry as a whole appears to go serenely on oblivious to the possibility that the long predicted saturation point will ultimately be reached. The immediate future of Chrysler appears to be excellent, earnings being high. The preferred gives a high yield. However, our opinion of U.S. stocks is not conclusive for the reason that we do not pretend to be in a position to give them the study we give Canadian stocks.

We believe that Hiram Walker is reasonably cheap anywhere in the early 50's.

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Industrial Alcohol

In a recent issue of your paper a subscriber mentioned that in his opinion there was no immediate hope of an appreciation in the shares of the Canadian Industrial Alcohol Company. In this view you appeared to concur.

I am holding this stock which I bought at $27 a share and should like to obtain an opinion from you. If you do not think that the shares will rise, you must believe that they will sell lower. Shall I sell out? If you think I should sell, let me know a stock which is worth holding, please.

We do not think that the shares of the Canadian Industrial Alcohol will not appreciate. Our opinion of the stock is that it is a very satisfactory and promising purchase if the stock is held over a year or two. But, for the future we would say that there appears to be no indication of any marked immediate appreciation. The company has been steadily improving its position and bettering its earning power. The yield on the stock at present prices amounts to about 4.5 per cent., and as the company has just recently declared a 20 per cent. stock dividend, it hardly seems reasonable to presume that there will be increased consideration given to the shareholders in the immediate future.

We think that you would be well advised to hang on to this security, for we believe that eventually you will obtain a market appreciation.

All the foregoing presupposes that as a basis for your investments you have some gilt-edged bonds, and that your common stock holdings are well diversified.

Should there be a general market decline—and we see no indications at the moment of one — your Alcohol stock might decline a point or two, but for the long pull we look for an appreciation.

Shawinigan as a Switch

I have eight shares of Great Northern Railway stock, bought years ago at 124, and at that time paying 7 per cent. Although this stock has improved considerably in price in the past year or so, it is still a long way from the price I paid for it, and it looks to me as if the future appreciation would be slow—in spite of the proposed merger—and possibly never reach its former figure.

My idea is to sell this and invest in a sound stock where the appreciation would be quicker. Can you suggest a suitable stock?

I have been considering Shawinigan. This, however, has had considerable appreciation. Should I switch into this stock, I would also, for the time being, lose the difference in the dividends paid.

Nearly all the class-one railways of the United States have been doing better in the last five or six years. However, it is evident that the Great Northern must have some peculiar problems, because the earnings have fluctuated rather than increased steadily in the last six or seven years. This may have been due to the fact that the North West United States were not particularly prosperous until about a year ago. At this time, however, those states appear to be prosperous and it is possible that the railway will do better from now on. It is also to be noted that the Great Northern serves the international boundary and any prosperity to the North must be reflected on the South.

We have great faith in the future of Canadian utilities and essential industries.

Shawinigan may do as well in the next three or four years as it has done in the last five. However, there is no denying the fact that the appreciation has been extremely rapid and it would not be surprising if the movement were retarded somewhat. But any investor in Shawinigan will eventually be well rewarded. On the other hand, if you care to invest in an industrial, we could not do better than recommend Steel of Canada, either the common or the participating preferred.

You might recover the lost capital more quickly by switching, but we would point out that the observers of the New York stock market are of the opinion that the rails at this time offer the best chance for profit.

We have given this letter some thought, but we would remind you that we do not pretend to be conversant with the details of investments in the United States. In the circumstances, we would prefer not to express a definite opinion, but merely to point out to you some of the advantages and disadvantages in holding this railway stock.

Ontario Loan

Could you advise me as to the standing of The Ontario Loan & Debenture Company, Head Office? Would you consider their 5 per cent. automatic accumulative debentures savings account as a good method for a person to take up.

Ontario Loan and Debenture Co. has been operating for many years and their records of earnings have been consistently good. Any money you invest in this organization would be safe.

German Bonds

I read in a recent issue of your paper the name of the bank which would look after the exchange of German Government bonds for me. Foolishly, I have forgotten the bank. Would you please tell me its name again?

The bank looking after the exchange of German Government bonds is La Banque Canadienne Nationale. The head office is in Montreal. You can write there or if they have a branch in your city you can deal direct with the branch office.

International Power

I would like to have your opinion of International Power debentures and Acadia Sugar bonds. Do you consider them well secured?

The International Power Company's debentures are well secured by bonds and stocks of the International Power's subsidiaries. The diversification of the company's holdings increases the security behind the debentures. They are an investment which compares favorably with other securities on the same yield basis.

The Acadia Sugar is doing an excellent business and its bonds are a satisfactory investment in the industrial bond class.

Common Stocks

I wish to add a few common shares to my investment list. What are your suggestions?

We believe that investments in Shredded Wheat and Westinghouse would be satisfactory. We also think highly of the common stock of Christie, Brown & Co., Page-Hersey Tubes, Spanish River Pulp and Paper Mills, Abitibi Paper and Massey-Harris.

In the case of Massey-Harris the future has probably been discounted to a considerable extent; but over a term of years we have no doubt that your investment would be highly satisfactory. The pulp and paper industry may suffer from slight reverses in the next year or 18 months; but we believe that it is one of the principal industries of Canada and in the long run will return investors handsome profits.

The brewery industry in Ontario shows signs of becoming overcrowded. We thank you for your expression of appreciation of our efforts to produce a newspaper which is of real service to investors. We are at all times ready to serve our readers.

Lake Ontario Brewing

Would you be good enough to advise me of the investment and speculative value of the shares of the Lake Ontario Brewing Company. Is the stock listed yet, and if not, when will it be? Is the company now in active operation?

Shares of Lake Ontario Brewing Company have not been listed yet, but it is anticipated that they will be listed within the next three weeks. Yes, the company is actively in operation and has been for some time. It has been operating with a limited turnover from its export business and from its business in light beer. When the new Ontario government regulations come into force the production will be increased.

The stock, of course, cannot be classed as an out-and-out investment, because it has no record of dividend payments to the shareholders. Despite the competition in the brewing business in Ontario, under the new liquor legislation, the company should make satisfactory earnings and therefore the stock appears to be not unattractive as a business man's speculation.

Famous Players

What of Famous Players bonds and preferred shares? Are they safe investments?

The last annual balance sheet of the Famous Players Canadian Corporation showed bonds outstanding to the extent of $1,140,000 as against fixed assets of $13,600,000. Earnings during the year were over five times the bond interest requirements. Thus you will see that the bonds are amply secured both as to assets and as to earnings.

The first preference shares look like an attractive investment to us for a business man who wishes to invest a small portion of his holdings in a stock which returns a high yield. In 1925, the company earned 10.4 per cent. on its first preference and in 1926, 9.89 per cent. on this stock. The company over the past few years has been steadily expanding and we believe in the future it should benefit from this expansion by way of increased earnings. The stock may be classed as a business man's investment.

Eastern Dairies

Would you recommend Eastern Dairies preferred as an investment with a reasonable assurance of it proving a regular dividend payer?

The Eastern Dairies preferred we regard as an investment with a reasonable assurance of earnings more than sufficient to take care of the preferred dividend requirements.

The company was incorporated about a year ago and since that time has steadily expanded by the acquisition of other dairies and creameries. Moreover, the earnings of what are now the component companies of Eastern Dairies during the past year have all experienced an increase as compared with the preceding year.

The purchase of the preferred shares coupled perhaps with the purchase of some common shares looks to us to be an eminently satisfactory business man's investment. The preferred stock would provide a yield and the common stock, over the next two or three years, looks as if it would show a satisfactory appreciation.

The company is well managed.

Lake of the Woods

Could you favor me with the reason why the shares of the Lake of the Woods have dropped approximately 20 points during the year? Although the milling business is not in a very prosperous condition at present, I notice that the stock of some of the other companies has not sagged as much as that of the Lake of the Woods.

As you say, the real reason for the decline in the shares of the Lake of the Woods Milling Company is the decline in the demand for flour—especially in foreign markets. The capacity of the Canadian mills is far in excess of the demand in the domestic market, and the millers must all look overseas for business.

The reason why some of the other milling companies' shares have not sagged as much as those of the Lake of the Woods lies in the fact that some of them are in a different position than the Lake of the Woods. The Ogilvie Flour Mills, for example, while it is a milling company, also derives a very large percentage of its dividend requirements from its investments. Over the past year or two the company has obtained an increasing return from these investments, which has more than counterbalanced the slump in the milling end of its activities.

Then again, some of the other millers in Canada own, control, or have affiliations with bakeries which purchase their flour requirements from the parent milling company.

Lake of the Woods has no such affiliations, and relies on the well-known good quality of its flour to make sales.

Thus you will see that the greater decline in the stock as compared with some of the other mills has been due simply to the fact that the company is in a somewhat different line of business to some of the other millers.

POST-Scripts

INTERNATIONAL Nickel is not a stock to be recommended for widows and orphans, but it is better than lollipops, preferred or common, for the casual savings of children who are not orphans. The possibilities of International Nickel, one of Canada's premier industries, for a hold of twelve, or fifteen, or twenty years is fascinating to contemplate for anyone whose breath has been taken away by the calculation of the nickel, copper and precious metal reserves of this company.

A Canadian investor who bought International Nickel in the late fifties on information secured from a source he considered reliable, has placed one share of stock in the names of each of his three children. The two older children had cash enough of their own for their purchase and a few dollars made up the subscription for the youngest. A drop of a point or two a day or two after the purchase, brought criticism of their financial manager from the three small investors. They all "jumped on" Daddy. But in the last few days they have been more than satisfied. The eldest (eleven) has begun reading the financial pages. At the worst, the financial pages can do him no more harm than the comic strips or the sporting pages, and as a youngster who will have to earn his own living despite his father's foresight, it is as well that his education financially be begun as early as is feasible.

ONE of the most notable things about financial circles is the number and variety of unfounded rumors that fly about. Rumors sometimes are invented for a purpose and sometimes invented merely by someone who wishes a more or less plausible explanation for a stock's moving up or down an eighth of a point.

While 99 per cent. of stock-market rumors — like 99 per cent. of army and navy rumors—are without foundation, financial reporters cannot afford not to chase down all rumors which bear even the most remote semblance of probability. The source of many a rumor might be amusing if they were not usually time-consuming in the attempt at verification.

Within the last six weeks, for instance, it was reported that a certain directorate of an important Canadian company was quarrelling and that the august members of the board had descended to fisticuffs over the mahogany table. Several reporters were hot on the trail. The president denied that all was not harmony. Another director ditto. While the reporter was conversing amicably with the g.m., the plant superintendent interrupted to appeal for bail money for a cellar man who was star man on the plant's baseball team. It seemed that in a closely-contested game with ancient enemies, an altercation had resulted in one of the opposing team getting a broken nose in return for a few teeth knocked out. The man sans teeth was in jail. It was desirable that he be freed for the next game. for he was the institution's Babe Ruth.

Was this the source of the rumor that the directors were squabbling? In the intervening weeks, no other explanation has been forthcoming.

When Women Invest

Mining Stocks Are Keenly Attractive for Women Who Have Cash to Risk in Speculative Issues

A REGULAR FEATURE

A professional woman of Buffalo visited a Toronto broker's office this week and said that she had a few thousand dollars that she would like to place in Canadian mines. The broker suggested Hollinger, McIntyre, Lake Shore, Wright-Hargreaves and other producers. She would have none of these. Her friends in Buffalo were talking of huge profits. She wished to speculate in the non-producers. She bought Noranda and half a dozen so-called penny stocks.

The broker, as a firm believer in the industrial future of Canada, attempted to interest the visitor in a few of the leading industrial stocks. She would not listen to the suggestion. Mining stocks are the thing for profit and action.

Disgusted With Hollinger

Another woman saw the same broker a few days before. She, too, does not like the industrials and he persuaded her to buy Hollinger, which has been called the greatest mine in the world.

She is utterly disgusted. Hollinger has remained stationary, so far as the market is concerned.

"Not stationary," said the broker in answer to her protest, "'Steady' I would suggest is the word." The woman wants action, quick action and it seems that she is more anxious for action than for safety.

It is reported that she has lost $25,000 in mining stocks in the last few months. She is still buying mining stocks, for the reason she gets pleasurable excitement out of watching the gyrations of the penny stocks and their more pretentious boardmates. She is a somewhat wealthy woman in her own right and her husband is capable of supporting her in more extravagant fashion than that in which they live at present. Under the circumstances, therefore, the gambling may be excused. The cheerfulness with which the woman accepts her losses even bring commendation.

Just a Bond

Also among the woman clients of this broker is the wife of a mining engineer, making her first steps in speculation. She came into the broker's office with the request that he sell for her a bond of a South American republic. She did not know what republic or the face value of the bond. The broker sent her to her safety-deposit box to find it. She came back and blithely announced that it was a Brazilian bond.

"For how much?" asked the broker.

"I forgot to look," said the woman. Eventually the broker had to examine the bond himself to find out its face value, the rate of interest, the year of maturity, etc. He sold the bond for the woman, who is a university graduate.

She wished to buy Area and Macassa with the proceeds of the bond sale because a friend of hers also owned Area and Macassa. The broker pleaded with her not to buy either of these stocks because of the fact that they are as yet only prospects, and, as such, are extremely speculative. The husband is a mining engineer in the north country. Finally, the broker persuaded the woman to wire the husband, asking his recommendation. It came back. It was not a penny stock. It was Lake Shore, one of the best of the producers. When the woman still was dubious, the broker persuaded her to put half her money into Lake Shore and half into Mining Corporation, rather than into either of the penny stocks which originally were in her mind.

Expert At Her Command

The foregoing is not written as an indication that men are any wiser than women in investing, but merely to show that women sometimes are no more conservative than their brokers and husbands. That $500 foreign bond was apparently the principal part of the woman's independent capital. In view of the fact that she was being supported adequately, it was perhaps not unreasonable for her to wish to invest in the industry in which her husband is interested, but, in view of the fact that she was in position to get expert opinions on the value of northern properties, it would seem that she was acting without due consideration when she wished to buy two penny stocks purely because one of her women friends have made a similar venture.

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(Closed Issue)

Dated May 1, 1927 Due May 1, 1957

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The Goodyear Tire & Rubber Company is, with subsidiaries, the largest manufacturer of rubber tires in the world. Directly and through subsidiaries, the Company is engaged in practically all branches of the rubber industry, including the growing of rubber, the manufacture of tire fabric, tires and a wide range of other rubber products, and the sale of its products throughout the world. At the present time the Company's three plants in Canada and the United States are at the highest point of production in the Company's history.

Based on current market quotations, the 7% preferred stock and the common stock of the Company represent an equity behind these bonds in excess of $115,000,000. A circular giving further particulars will be furnished upon request.

Price 97 and interest (N.Y.) to yield about 5.20%
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NORTHERN BAKERY STOCK IS ALREADY BID ABOVE OFFER

Directorate of New Company is Factor of Strength in Stock

The anticipated eagerness of the stock market for the new issue of Northern Bakeries of Canada, Ltd., was realized Wednesday of this week when $33 was bid for the stock on a basis of as, if and when issued. This quotation followed the circulation in brokers' offices of the advance proofs of the announcement of Osler & Hammond which appear elsewhere in this issue as an advertisement.

Northern Bakeries of Canada, Ltd., is to be a holding company, owning all the shares of Northern Bakeries, Ltd., the operating company, and its subsidiaries, except the directors' qualifying shares. Of the 300,000 shares of no par common stock authorized, 250,000 are to be issued and 150,000 are being offered at $27 the share. The issue already has been oversubscribed, which is indicated by the bid price.

Has Strong Directorate

Northern Bakeries are to continue under the active supervision of Robert McMullen, president; Will H. Harrison, vice-president; Wesley Thompson, vice-president; Dent Harrison, Montreal; and James J. Aird, Montreal, and H. O. Neale, secretary-treasurer. Great additional strength is lent to the directorate of the new company by the inclusion of such well-known persons in the financial world as F. Gordon Osler, a director of Dominion Bank; J. F. Lash, of Blake, Lash, Anglin & Cassels; G. T. Chisholm, of Osler & Hammond and F. K. Morrow, a director of the Bank of Toronto.

Earnings of Northern Bakeries, according to the summary published in the advertisement, have been $118,247 in the first fifteen weeks of this year. This is equivalent to $1.61 annually on each share of the new stock. While this rate of earning may not justify the existing price of the shares, the stock market evidently is quite willing to discount future prosperity and future increases in earnings. The new group which will control the company has been markedly successful in giving just that little extra impetus to enterprises which is needed to transform these from just moderate successes to market leaders. This has been the history of Christie, Brown & Co., in a related line of business in the last two years. The continued strength of Hiram Walker stock is a tribute to the same group.

Book Value is $22

The balance sheet shows the company to be in a good liquid position, with current assets about five times current liabilities. The book value of the new stock is $22.50 the share, so that the offering price and the current bids are not excessive, according to present-day habits of discounting future earnings and of relying on the ability of a new control which has proved capable in other enterprises.

150,000 Shares
Northern Bakeries of Canada, Ltd.

The Company—Owns and controls Northern Bakeries, Ltd., manufacturers of bread, etc., in the provinces of Ontario and Quebec.

Capitalization—Authorized, 300,000 shares no par value; issued 250,000 shares. No bonds or preferred stock.

Markets—Operates in centres serving a market of 3,000,000 people.

Assets—Land, buildings, plan and equipment about the 31st of December, 1924, near $4,500,000. Additions have been made since then and depreciation set at over $500,000. Current assets amount to over $1,100,000, of which over $673,000 is in cash, while current liabilities amount to less than $213,000. Goodwill has been written off by $2,170,000.

Earnings—Net profits in the calendar years 1925 and 1926, amounted to $389,779 and $382,247 respectively.

Management—Management of this company and Northern Bakeries, Ltd., will be in the hands of Mr. Robert McMullen and his associates.

Offered—Osler and Hammond, at a price of $27 a share.

STEEL'S STORE CHAIN NOT YET TROUBLE FREE

(Continued from page 1)

was not suitable for a chain store. The Quebec stores are showing profits, with one exception. The Danforth store in Toronto also is showing a profit on volume, although the sales expense in that store is much higher than the average because of the necessity for providing for an evening rush, while the clerks are not busy during the daylight hours, except Saturday afternoons. One of the best stores, in point of ratio of sales expense to sales, is Welland, which is the smallest city, with one exception, in which Steel stores are located.

The Goderich store, about which there has been some discussion, had a net operating loss of about $1,000 last year on a gross turnover of $48,000. From figures showing sales so far this year, it is apparent that, if the present ratio is maintained, this store will show a profit in the current period. Profits, it is apparent from figures of comparative sales and expense, are dependent on reducing the cost of sales in ratio to volume.

Lower St. Lawrence Power to Change Hands Soon

From Our Own Correspondent.

MONTREAL—Negotiations are under way leading to acquisition of the Lower St. Lawrence Power Company by the Central Public Service Corporation of Chicago. It is said that negotiations have reached a stage which precludes any possibility of the company not changing hands.

The Central Public Service Corporation controls the Maine and New Brunswick Company and recently acquired the control of the Carleton Electric Company, which supplies Woodstock and its surrounding territory. The Lower St. Lawrence Power Company serves, amongst others, the town of Campbellton, New Brunswick.

Investors are interested in the Lower St. Lawrence Power Company through its two issues of bonds. The first mortgage issue, of which there are $750,000 outstanding, bears interest at 7 per cent. and matures in 1947, whilst the second mortgage issue totals $350,000, bears an interest rate of 8 per cent. and matures in 1932.

News of Investment Markets

CORPORATE BOND OUTLOOK APPEARS MORE PROMISING

Investors Looking for Better Yields Than Offered by Government Issues

For some time past, the feature of the bond market has been the rising strength of municipal bonds. It was not so long ago that high-grade municipal and government bonds were selling at 5 per cent or a little better, but in the last six months prices have steadily advanced and there are few of the better grade securities which can now be had to yield five per cent or better. Consequently, investors have turned their attention to industrial and public utility issues.

As pointed out in The Financial Post recently, nearly $200,000,000 worth of new financing has been undertaken by Canadian interests since the beginning of the current year. Of this total, corporation issues represented a large proportion. For a time the new offerings were being made on a basis of 6 and even 6½ per cent. Those offered in the last six weeks, however, have been for less and the Bell Telephone issue of last week, offered to yield about 4.85 per cent., is a definite indication of the trend of prices on the high grade industrial bonds.

Federal Financing Important

Just how long this situation will continue to exist is problematical. A great deal depends upon the action of the Federal Government in carrying out new financing or refunding. Within the next seven months, three Dominion financial obligations are to be dealt with. These loans total approximately $100,000,000. While a fair percentage will be retired from current revenues, probably as much as $75,000,000 or $80,000,000 will be refunded. If the present strong market continues, there is little doubt but that practically all of this could be handled within the Dominion, but it is likely in view of the amount due in New York and London, that part of the new issues will be placed in those financial centres. It is also safe to assume that the bonds will cost the Government much less than they did originally. It is likely that they will be offered to the public at less than 5 per cent, probably around 4.50 to 4.75.

Considering the position of the majority of the outstanding bonds, if the government were to offer an attractive long term bond at around 4.75 per cent. many holders might elect to convert their municipals. While this move would undoubtedly affect the value of some municipals, the better grades would not suffer to any extent. From the standpoint of the industrial and public utility bonds, however, there would probably be a better demand as at present these securities are yielding generally from a point to a point and a half above the government issues.

Strong Market Expected

Thus there is reason for believing that in the event of the Federal Government entering the market early this fall for any large sum of money, that industrials will advance in price. A major swing, of course, is not to be expected, but as the banks, insurance companies and other large buyers of government securities, have shown a marked tendency to concentrate more and more upon the bonds of public utility and the better managed industrial concerns, the position of those securities should be much enhanced before the year is out.

Montreal Building Bonds to Be Offered Shortly in Toronto

It is understood that a first closed mortgage bond issue of a Montreal building company, amounting to over $600,000, will shortly be put on the market by McLeod, Young, Weir and Co. Proceeds of the issue will be used to defray the cost of construction of a modern 11-storey and basement fireproof office and loft building to be erected in the uptown shopping section of Montreal.

The close proximity of the building to the retail district may be appreciated from the fact that it is only a few minutes walk from Morgans or Eaton's department stores. The district is the centre of the clothing trade, and the building is ideally located to serve the needs of the clothing industry, whose demands for space are constantly increasing.

Plans have been prepared and the contract for construction let to a Montreal firm. The building is expected to be completed and ready for occupancy before the end of the year.

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Canadian Brewing Has Million Gallons in Stock

From Our Own Correspondent.

MONTREAL. — It is understood that the Canadian Brewing Corporation has at least one million gallons of beer on hand ready to meet the undoubtedly large demand which will take place as soon as the Ontario Liquor Commission has made all the arrangements necessary for the distribution of liquor in the province.

This information is the more satisfactory to the shareholders, as recently reports were printed indicating that there may be a shortage of beer in the province.

The stocks held by the Canadian Brewing Corporation are of a size which, it is anticipated, will meet all demands.

The corporation has completed the work of modernizing its three breweries, two of which are located in Hamilton and the third is in Toronto. The present minimum capacity of the plants amounts to 120,000 barrels per annum.

The corporation has announced the appointment of its officers with George Russell as general manager and W. F. Holding, Jr., C. A. as secretary-treasurer. Mr. Russell has been connected with the brewing industry in Ontario for a number of years and was manager of the Hamilton Brewing Association. He is president of the Ontario Association of Brewers and Maltsters. Mr. Holding was formerly with Price, Waterhouse & Co.

The board of direction of the corporation as now constituted is as follows: K. S. Barnes, president; D. J. McDougald, vice-president; G. H. Levy, J. C. Schultz, H. F. Walker, D. D. Macleod, H. C. Flood.

Record of French External Bonds is Without Blemish

From Our Own Correspondent.

MONTREAL.—The June issue of Investment Securities published by the National City Company Ltd., deals with the improving finances of the French Republic and the effect of such improvement on the external bond issues of the country. In part it says:

"The budget of 1926 is not yet closed, but an authoritative estimate places the probable surplus at 1,000,000,000 francs. This is the first budget surplus since the war. The budget for 1927 has been passed, and is expected also to realize a surplus, but inevitably this will be to some extent dependent upon economic conditions during the year and their influence upon the revenues. Thus far the results are ahead of the estimates, despite a slowing down of industry in the first quarter of the year, which is now thought to have run its course.

"France's record regarding her external loans held by foreign nationals is without blemish and prevailing prices for such obligations as are available in New York would indicate that the investing public is arriving at a fuller appreciation of their investment worth."

Bahia Corporation Stock Sold at Par With Bonus

From Our Own Correspondent.

MONTREAL.—The firm of Gilman, Corbin and Company is offering 60,000 shares of 7 per cent., cumulative, preference stock of the Bahia Corporation at $25 a share. Each preferred share carries a bonus of one share of common stock, and the prospectus regarding the issue states that it is offered as a speculative investment.

Particulars of the issue follow:

60,000 shares of 7 per cent. cumulative preference stock.

Capitalization: Preference stock, par value $25, authorized shares 60,000; outstanding shares 60,000.

Common stock, no par value, authorized shares 130,000; outstanding shares 120,000.

Sinking fund: Amounts to 25 per cent. of net earnings after preferred dividends, to be used to retire the preference stock.

The Company: Owns all the common shares of two subsidiaries engaged in the mining and marketing of carbon diamonds, known by the trade name of "black diamonds." The company's subsidiaries operate in Brazil.

Earnings: After the elimination of certain non-recurring charges during the past ten years, one of the subsidiary companies has had average earnings more than sufficient to pay the 7 per cent. dividend on the preference stock of the Bahia Corporation.

Market: The corporation will make early application to list its preference and common stock on the New York Curb.

Offered: May, 1927, by Gilman, Corbin and Company, at par, plus a 100 per cent. bonus of common stock.

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TORONTO SECURES TERMINAL BUILDING

Eleven-Storey Structure for Downtown District is Assured

An eleven-storey office and terminal building will shortly be in process of construction in downtown Toronto, at the corner of Fleet and Bay Streets. Final arrangements are now being made by G. A. Stimson and Co., for financing the deal and it is expected that a public offering of about $1,500,000, 6½ per cent. first mortgage bonds will be made shortly.

The proposed structure will be modern in every respect, having a rental space of over 101,000 square feet. Much of the space of the lower floors has already been rented on long term leases and it is said that there will be little trouble in securing maximum occupancy. It is planned to use the building, in addition to general offices, as a central terminal for the principal bus lines operating in and out of Toronto. On this account a large garage will form part of the building.

While all the financial details are not yet completed, the proposed capital structure of the company formed to build and operate the structure will be made up of $1,500,000, 6½ per cent. first mortgages; $1,350,000, 7 per cent. preference shares; and 50,000 common shares, no par value. The bonds will be serials and only the senior security will be offered to the public.

N. A. Armstrong and Co., are the architects and Carswell and Co., the contractors of the new building. Present plans call for completion of the building by the 1st of May next.

London Central Heating Plans Mortgage Issue

Following the successful operation of central heating plants in the larger cities of the United States and Canada, it is understood that certain prominent interests in London, Ontario, have secured control of the Helena Power Company and the Greene-Swift Heating and Power Company and are erecting a new modern plant for central heating purposes which will also generate electricity for direct current motors.

The new company which has been incorporated under a federal charter will be known as the Central Heating Co., Ltd., and has already commenced to lay new high pressure mains in London in order to supply the increasing demand of new consumers. The constituent companies of Central Heating Company have been for many years heating the main Dominion Government Buildings and also the largest buildings in the central business section of London. It is understood the new company has already closed contracts to supply heat to London's new City Hall, New London Hotel, the main office of the Bank of Montreal and the Huron & Erie Mortgage Corporation and many others.

A well known Canadian bond house will handle the new financing in connection with the new company and that this will be in the form of first mortgage bonds carrying a bonus of common stock.

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STAND. CHEMICAL REORGANIZATION NOW UNDERWAY

Announcement of Plans Expected Within Next Three Weeks

Announcement is expected within two or three weeks of a plan of reorganization of Standard Chemical Co., the annual report of which has been sent out to shareholders. The company is one of those which expanded rapidly during the war at the behest of the munitions authorities and which, on the cessation of hostilities, found itself with plants in excess of peace-time requirements and with goods for which new markets had to be found and developed.

The intervening years have been discouraging for the shareholders and managers of the company, but the report now in the hands of shareholders indicates that the corner finally has been turned and that the company can now look forward to a period of prosperity in which reasonable returns can be paid on a capital to be scaled down to amounts in proper proportion to the manufacturing activities and the markets.

Small Profit Shown

Where in the fiscal year ended March 31, 1926, the company had a net loss, after bond interest and depreciation, of $73,580, in the year ended March 31, 1927, a net profit of $4,676 is shown. Dividends on the preferred stock of $3,602,700 are in arrears from June 30, 1914. There is also outstanding, common stock of the par value of $1,250,000. The corporate deficit now amounts to $925,808, being reduced in the last year by the amount of the net profit.

The relation of current assets to current liabilities is excellent, the former standing at $1,218,978 and the latter at $111,407. Current assets have increased in the year just closed from $1,106,105 and current liabilities from $166,221. The company now has no bank loans. It has a contingent reserve of $279,808, which has been increased from $353,510.

Goodwill account stands at the former figure of $1,870,724, but the reserve for depreciation has been increased from $1,842,252 to $2,002,252. The book value of the properties now stands at $3,736,294. Other investments total $98,972 and cash in sinking fund, etc., amounts to $30,010.

Economies Effected

Several plants have been dismantled in the last two years owing to the determination of the directors to reduce the output to conform with the demand and also to operate only those plants which are well-located with regards supplies of suitable wood. The company also has developed its lumber business in order not to use timber for chemical purposes which is suitable for ordinary commercial purposes.

Owing to the fact that most of the shareholders are in England the annual meeting of the company will not be held until July 28th.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre 6s, 1947	98⅛	98⅝
Abitibi P. & P. 6s, 1940	104	105¼
Algoma Steel 5s, 1962	28¼	29½
Alberta Pac. Grain 6s, 1946	98¼	99
Bell Telephone 5s, 1955	102	102⅝
Belgo. Can. Paper 6s, 1943	101⅞	102⅜
Brandram-Henderson 6s, 1936	96¾	98½
B. C. Pulp & Paper 6s, 1950	89	93
Brompton P. & P. 6s, 1946	99⅜	100
Burns, P. & Co., 6½s, 1943	103¼	103¾
Calgary Brewery 5s, 1942	89⅛	90½
Calgary Power 5s, 1940	92¾	93¾
Canada Lt. & Pr. 5s, 1949	93¼	94½
Can. Nor. Power 6½s, 1941	101¾	102½
Canada Paperboard 7s, 1937	97	100
Can. Steamships 5s, 1943	99	99¾
Can. Steamships 6s, 1941	98½	98⅞
Can. Steel Fndry, 6s, 1936	104⅝	105¾
Davies, Wm., 6s, 1942	96¼	97
Dominion Iron 5s, 1939	27	30
Dominion Pr. and Tr. 5s, 1932	97⅝	98¾
Drummond Invest. 6½s, 1938	99¼	100¼
Duke Price Pr. 6s, 1966	104⅜	104⅞
East Kootenay Pr. 7s, 1942	103½	104[illegible]
Elec. Development 5s, 1933	100⅝	100¾
Famous Players 6½s, 1943	99	100¼
Fraser Co. 6s, 1950	98½	99
Gatineau Power 5s, 1956	97⅛	97½
Gatineau Power 6s, 1941	101	101½
Howard Smith P. & P. 6s, 1941	104	104⅝
International Paper 6s, 1941	98⅛	98¾
King Edward Hotel 7s, 1944	92	94¼
Lake Superior P. P. 6s, 1941	106	107¼
Laurentian Pr. 6s, 1936	103¼	104½
Laurentide Pr. 5½s, 1946	101½	102½
Maple Leaf Mfg. 6½s, 1943	103½	104½
Maritime Tel. & Tel. 6s, 1941	104	105
Manitoba Pr. 5½s, 1951	99½	100
Mercury Mills 6½s, 1942	100¾	101¾
Mont. L. H. & Pr. 5s, 1951	100⅝	101⅜
Mont. Pub. Service 5s, 1942	99	99⅝
Nor. Can. Pr. 6s, 1945	101½	102¼
Nor. Ont. L. & P. 6s, 1946	101¼	101⅞
Nor. West Utilities 7s, 1938	99⅜	99⅞
Nova Scotia Steel 5s, 1959	68½	72
Nova Scotia 6% Debs.	35	38
Nova Scotia Tram. 5s, 1946	92¼	93½
Nova Scotia Tram. 7s, 1952	99½	100½
Ont. Pulp & Paper 6s, 1931	109	110¼
Ottawa Hull Pr. 6s, 1948	103½	104½
Ottawa L. H. & Pr. 6s, 1953	104	105
Ottawa Mont. Pr. 6½s, 1949	102¼	103
Ottawa Trac. 5½s, 1953	101½	102
Ottawa River Pr. 6½s, 1953	102¼	102¾
Port Alfred P. & P. 6½, 1943	101¾	102¼
Price Bros. 6s, 1943	104	104⅝
Prov. Lt. Pr. 5s, 1946	100½	101½
Quebec Pr. 6s, 1953	106¾	107¼
Rio Tramway 5s, 1935	95⅝	96⅛
Sao Paulo Tram. 5s, 1929	98	98½
St. Lawrence Paper, 6s, 1946	97	98
St. Maurice Pr. 6½s, 1953	108	108½
St. Maurice Valley 6s, 1945	99	100
Shawinigan W. & P. 6s, 1950	104¾	106
Simpson's, Ltd., 6½s, 1945	103¼	104
Southern Can. Pr. 5s, 1955	98⅝	99⅜
Spanish River P. & P. 8s, 1941	106¾	107½
West Kootenay Pr. 6s, 1943	103½	105

CAUTION IS REQUIRED IN SELECTING STOCKS IN PRESENT MARKET

(Continued from page 1)

vailed in New York and in Montreal and Toronto, or from the Rio Grande to the northerly limit of development in Canada. What of Canadian securities considered by themselves?

There is no doubt that many stocks are priced today at values which discount future prosperity to a great extent. The question which every investor in stocks must consider is whether this discounting of the future has been carried to extremes or if it is justifiable to expect still further increases in values of stocks which already have risen to high figures.

Among the stocks the future of which has been discounted is Montreal Power. The question is whether Montreal Power should be bought at present levels for future appreciation in capital. The future of Montreal Power depends on the future of Montreal and environs, the district served by this company. Can anyone doubt that the Canadian metropolis will continue to grow, that it will continue to require electricity and transportation and fuel? Or that the management of the company will not continue to take advantage of the opportunities for development of the company along with the city? The answer is obvious. And the same answer applies to other utilities in other growing fields. The danger that there may be in the utility stocks at this stage in the country's history lies in the possibility of a general depression which will retard the growth of cities. Even in the severe post-war deflation era, cities continued to grow. There is no such period of depression and deflation in sight.

Industrial stocks have to be considered as somewhat more speculative. Massey-Harris, for instance, is a stock which has risen rapidly in the last year or fifteen months. It is a stock on which, as yet, the directors have declared no dividends. What is the future? The company is very ably managed and extremely well financed. Its earnings, according to unofficial reports, are running somewhat ahead of last year, when earnings were shown equivalent to $2.39 on the new shares. Massey-Harris Co. does business in many countries and has factories in several. It is one of the outstanding Canadian industries. One would have to expect a world-wide depression enduring for a long term to predict anything but a prosperous immediate future for the company. The distant future of any company dependent on the uncertain agricultural industry must have, unfortunately, its element of uncertainty. On the basis of the immediate future and because of the geographical spread of the company's market, persons of perspicacity are recommending the purchase of the stock.

Although each security needs to be examined by itself before it can be deemed safe for investment, one has to be pessimistic as to the future of Canada in order to hold to the belief that even many stocks which appear to be at high levels at the moment are higher than they will be, say, a year from now. One of the advantages of a drastic deflation, which must be accompanied by a prolonged depression in business, is that the resultant period of ascending prosperity is likely to be correspondingly long. Last year was but the beginning, apparently, of an era of prosperity for Canada. This year should be better than last and next year even better than this so far as business in general is concerned.

Ascent is Slower

Yet investors will be wise if they do not expect the rise in stock-market values—even of stocks which have not risen rapidly—to be as quick and as gratifying in the next two or three years as they have been in the last two or three. The stock market is ever prone to anticipate prosperity. The rapid recovery in business in 1927 was foreseen by the stock market in 1925 and 1926. As is indicated with Montreal Power and Shawinigan, there is more likely to be a period of steadiness—someone has called it a period of breath-taking—and a more gradual ascent until the point is reached where future prosperity has been discounted to the full. In the leading Canadian stocks it has been discounted largely, but not to the full. In some of the industrial companies, the best is yet to come. That is true because the best is yet to come for Canada.

There will, of course, be temporary recessions. Impatient investors and speculators will be wishing to take their profits at various points. Their selling will cause some hesitation. There will be overproduction in some lines of industry, as in the newsprints at the moment, and stocks will hesitate, or even recede, until the slack in production has been overcome either by the creation of new markets or the closing of expensively operated smaller mills and factories.

IMMIGRATION YEAR MAY PROVE FIASCO

(Continued from page 1)

Western and Eastern Canada, at the instrumentality of the steamship companies, for the purpose of providing jobs for the newcomers and to do a certain amount of aftercare. As long as the settlers were being absorbed and giving satisfaction to their employers, this system worked satisfactorily to all concerned. Now that the farmers are refusing to accept the men and the government refuses to allow further immigration, operations of these boards may be automatically suspended for the time being. Unless some means are taken to keep the interest of these boards alive to the subject of immigration, it is doubtful if they can be revived after a period of two or three months of inactivity.

In the past six months, the colonization boards in the west have been responsible for the nomination of at least 70,000 settlers. Only part of this number have arrived, the balance being due for movement during June, July and at harvesting time. If the governments's restriction is not lifted within a very short time, the steamship companies will have to cancel all their arrangements for bringing forward these new citizens. Furthermore, their services for the time being will be disrupted. Instead of making westward trips with a full complement of steerage passengers, they will come forward with second and third class cabins practically empty. Just what the monetary loss to the Canadian Pacific Steamships, Anchor-Donaldson, Cunard Line and other North Atlantic lines will be, is hard to estimate at present, but there is no doubt but that even if the movement is resumed in a month's time, the loss will be very substantial.

It is possible that when weather conditions in the Prairie Provinces improve that the Department of Immigration and Colonization will modify its decree, but for the time being Canada's prospects for a record volume of immigration in 1927 have gone aglimmering.

Tenders and By-laws

June 15, School Commission of St. Edouard de Fraserville, P.Q.—$37,500, 5 per cent. serial debentures. J. Lebel, sec.-treas.

June 19, Township of Bourget, P.Q.—$25,000, serial, 5 per cent. bonds. Ernest Harvey, sec.-treas.

June 5, Parish of St. Benoit, P.Q.—$13,400, five per cent., serial bonds. A. Senay, sec.-treas.

June 18, Town of Roberval, P.Q.—$42,000, 5 per cent., serial debentures. A. Bouchard, sec.-treas.

June 6, Barton Twp.—$7,000, 5½ per cent. 10 year bonds. S. G. Sims, clerk.

June 13, County of Renfrew—$18,152, 5½ per cent., 10-year. R. J. Roney, County Clerk. (See announcement on page 16.)

June 6, Stoughton, Sask.—$4,000 debentures. F. E. Brigham, sec.-treas.

SASKATCHEWAN

Authorizations Granted by the Local Government Board, From May 7 to May 14, 1927.

Schools—Mazeppa, No. 2860, $2,000; Lakeburg, No. 1586, $3,800; Netchie Mill, No. 1978, $1,150; Indian Hill, No. 1786, $3,500; Runnydale, No. 133, $2,000; Ridgedale Village, $1,500; Elrose, No. 3478, $12,000; Trossachs, No. 1077, $3,000; Fox, No. 2211, $2,700; Montmartre Village, $2,000; Woodrow Village, $4,000; Regina City, $6,600; Moose Jaw, $9,627.

Debentures Reported Sold

Amethyst S.D. No. 1095, $1,500, 15 years, 5⅝ per cent., Regina P. S. sinking fund; Birsay S.D. No. 4462, $5,000, 15 years, 5½ per cent., Houston, Willoughby, Regina; Eagle Lake R. T. Co., $300, three years, six per cent., Duck Lake sinking fund; Dayton N. T. Co., $1,500, 10 years, 5½ per cent., Chas. McIver, Brock; Gladstone R. T. Co., $100, four years, six per cent., A. McTier, Bethune; Bienfait Village, $1,800, 10 years, six per cent., Hay & James, Regina.

This Week's Bond Sales

SASKATCHEWAN ISSUE

An issue of $2,471,000, province of Saskatchewan, 4½ per cent., 30-year bonds, has been awarded to Wood, Gundy & Co., and the Royal Bank, the bid being 98.11, a cost basis of 4.67 per cent. The bonds are payable in New York, London and Canada.

BOND MOVEMENTS OF THE WEEK

Week Ending May 30

Bonds—	Int. Rate	Due	Yield	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low	Ask	Bid	Latest Price High	Latest Price Low
Asbestos, Gen. Mtge.	6	1956	6.49	83¾	81¼	94⅛	88	93½	93	93½	93
Can. Canners	6	1950	6.00	100	94	100¼	96½	100¼	99¾	100	99½
Cedar Rapids	5	1953	498	101½	98⅛	101	99	..	100¼	100¼	..
Dominion Coal	5	1940	5.84	89½	84½	92⅝	90	..	92	92	..
Mont. Tram., 1st mtge.	5	1941	5.02	98½	93	99⅞	98¾	99½	98⅞	99¾	..
Do., "A"	5	1955	5.21	95	92½	97¾	94¼	96½	96	96¾	96
Quebec Rly.	5	1939	5.00	100	91⅛	100	96	100	..	100	99
Shaw. Cotton	6	1949	7.14	82	80	87¼	86	..	..	87¼	86
War Loan	5	1931	4.62	100.40	100.35	101.85	101.00	101.55	101.40	101.45	101.30
Do.	5	1937	4.58	104.95	102.75	103.70	102.95	103.70	103.55	103.70	103.35
Victory Loan	5½	1927	4.50	102.50	100.15	101.00	100.25	100.50	100.35	100.40	100.35
Do.	5½	1933	4.55	106.35	103.20	105.20	103.90	105.15	105.00	105.10	104.85
Do.	5½	1934	4.85	104.40	102.65	104.10	103.00	104.00	103.80	103.95	103.80
Do.	5½	1937	4.50	109.30	106.70	108.20	106.90	108.15	108.00	108.10	107.95
Do., Renewal	5½	1927	4.55	101.95	100.00	100.80	100.15	100.50	100.30	100.35	100.15
Do., Renewal	5½	1932	4.80	103.90	102.00	103.55	102.45	103.15	103.00	103.10	......
Do., Refund.	5	1928	4.60	101.35	99.00	101.45	100.00	100.45	100.30	100.25	100.20
Do., Refund.	4½	1940	4.50	96.95	95.60	100.05	96.60	100.00	99.85	100.00	99.70
Do., Refund.	5	1943	4.65	102.80	101.10	103.90	102.30	103.90	103.70	103.90	103.55
Do., Refund.	4½	1944	4.52	97.15	95.70	100.10	98.05	.....	99.85	99.70	.....
Do., Refund.	4½	1946	4.50	99.60	95.65	100.25	96.70	.....	99.90	100.10	99.80

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Chilliwack, B.C.	May	Read Bros. & Co.	5%	10-yr.	$25,000	98.65	5.17
Sask. Schls. and Phones	May	Various	....	....	10,200	....	...
Amos, Que.	May	Credit Municipal	5½%	Serial	38,500	....	...
		PROVINCIAL					
Saskatchewan	May	Wood, Gundy & Co., and Royal Bank	4½%	30-yr.	$2,471,000	98.11	4.67

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Godfrey Realty Corp.	May	W. A. Mackenzie & Co., and Municipal Debenture Corp.	6%	1942	$1,500,000	98	6.20
Stock Issues—							
Inter. Pr. Securities	May	Aldred & Co., and Old Colony Corp.	No-par	Pref.	75,000 shs.	....	...

(With equal number of shares of no-par common, units of 1 sh. pref. and 1 com. at $106 per unit.

WARNING IS SOUNDED REGARDING NEWSPRINT SITUATION IN CANADA

(Continued from page 1)

and loss statements which, while showing materially reduced earnings as compared with former years, yet will be sufficient to allow their satisfactory operation until such time as the demand becomes more in line with the capacities of the mills.

Thus Mr. Biermans believes that, provided prices be maintained, the companies will continue to make profits on a fair capitalization.

Mr. Biermans has just arrived from Belgium and will remain in Canada until the end of July. He is here looking after his many interests in the Dominion and he says that he is also renewing old acquaintanceships.

European Conditions

Referring to business conditions on the continent, Mr. Biermans said that the feeling among business men generally was moderately optimistic and that it was the consensus of opinion that the war debts, that is, the political debts as opposed to the commercial debts, would ultimately be reduced.

In Germany there was little unemployment he declared, but in Belgium and in France the war reparations, which are being met by the import of goods, has made hard times in some industries.

Mr. Biermans' views on the newsprint situation are somewhat different to those which are usually expressed to the investor who is presently contemplating an investment in the shares of the newsprint companies—but his views are based on facts coupled with an intimate and personal knowledge of the newsprint industry extending back to the beginning of the present century. Furthermore they correspond with the views of many of those engaged in the industry at the present time.

Moreover, they are borne out in the statistical figures on the industry which are frequently published and frequently interpreted in the same way by The Financial Post.

PARTNER OF HEINZE DEAD

Col. A. E. Humphreys, who died recently at Denver, Col., was associated with August Heinze in the building of the original smelter at Trail. He started as a school teacher at a salary of $23 a month and concluded his career as a millionaire, made mostly in mining.

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Price: 100 and interest to yield 5½%
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First Mortgage 5% Bonds, Series "B"
Due June 1, 1957
Price: 102.50 and interest
Yielding about 4.85%
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The Bahia Corporation is a holding Company, formed to own and hold all the outstanding shares (except qualifying shares) of Bernard Bandler & Sons, Inc., and Brazileira Carbonado Cia. The business of these corporations will be the mining and marketing of carbon diamonds, commonly called by the trade "black diamonds".
About 98% of the world's supply comes from one state (the State of Bahia) in Brazil. **The Bahia Corporation's ownership and control of the greater part of this proven diamond district, as well as its control of the output of the largest mines, give it a commanding position in this industry and should enable it to stabilize the production and supply the world's demands.**
The earnings of Bernard Bandler & Sons, after elimination of certain non-recurring charges during the past ten years, have averaged an amount more than sufficient to pay the 7% dividends on the Preference Stock of The Bahia Corporation. These earnings should be greatly augmented by the Company being able to secure the product at source of production, on a very much enlarged scale.
Engineers' reports indicate approximately 10,000,000 cubic yards of diamond bearing gravel, with average value of $5.00 per yard, and cost of handling not to exceed $1.00 per yard.
The Corporation will make early application to list the Preference and Common Stock on the New York Curb Market and the Montreal Curb Market.
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CANADIAN MANUFACTURERS ANNUAL MEET

Urges Research as Aid in Keeping Pace With World Rapid Changes

Retiring President of C.M.A. Discusses Conditions in Annual Review

CANADA RECOVERS

Signs of Prosperity Are on Horizon — Canada Makes Notable Progress in Sixty Years

By JOHN M. TAYLOR,
Retiring President of C.M.A. in Annual Review.

Men are standing on the watch towers of industry to-day trying to discover and to anticipate impending changes. They must be alert, since manufacturing is a hazardous occupation.

Canadian industry was reconstructed during the War, and again since the War, the second reconstruction being still in progress. Two such far-reaching re-organizations disturbed it to the foundations.

Think for a moment of some of the developments in the fiery stress of War, as well as in the contemplative atmosphere of peace, since the beginning of this century, one-third of a man's life-time. There were then no motor cars, no aeroplanes, no radios, no wireless, little pulp and paper, little mining, little application of electricity, and comparatively little fabrication of steel. To-day these industries are of over-shadowing size.

Mass Production and Standardization

The greatest change of the present century has been the growth of mass production and standardization. Food, clothing, amusements, printing, building, transportation, finance, are now dealt with by large scale methods.

We can easily remember when nearly all of the factories of Canada were owned by individuals, families or partnerships; to-day most of them are owned by limited liability companies, or, in other words, chiefly by the public, and their officers and managers are employees. Units of production are larger, processes are standardized, output has been multiplied and operating capital has been proportionately increased. Improved communications have contracted the world and brought its peoples into closer contact. The habits and wants of millions have changed more in the last quarter century than in several preceding centuries. There has been a tremendous variation in the materials of industry. Not so long ago our industrial system was based largely on wood and wood working machinery; now it is based on steel; but other materials such as aluminum, copper, cement, paper, rubber and tin, and alloys are being used in steadily increasing proportions. As the supplies of certain raw materials diminish, the ingenuity of man, aided by scientific and industrial research, is discovering and using new materials. The industrial world grows more sensitive, and those who direct the great forces of manufacturing must watch constantly the numerous factors, at home and abroad, which influence the trend of business.

Changes in Farm Field

Similar conditions have developed in other occupations. Agriculture is undergoing a transformation. To a considerable extent, mass production is being applied to farming. Contrast the individual period of agriculture with its scythe and cradle, and hoe and spade, with modern agriculture with its thresher binder, and gasoline tractor. Science is inventing new grains and other agricultural products; even the destruction of pests is by the mass.

The pick and shovel and washing pan are curiosities in Canada to-day, where one mine operates 65 miles of underground railway, and hoists gold from its depths at the rate of 3,000 feet a minute.

Fishing is wholesale, both in withdrawing the fish from the water, and in manufacturing them into package goods for consumption.

Much logging is now done with the aid of special railways, hoisting and drawing machinery, and most lumbering processes by which trees become commercial products are mechanical.

Construction of all kinds is on a prodigious scale. In fact, mass production is everywhere, and has profoundly influenced manufacturing and the problems allied to it.

Progress Since Confederation

While changes have been concentrated into the last quarter century, the elements of these changes were visible, acting progressively, since the Confederation of the provinces into the Dominion of Canada in 1867.

While consideration of progress achieved since Confederation, justifies a degree of pride, we are nevertheless concerned by an ever-present comparison, which is not so gratifying. The United States has a population of one hundred and twenty millions; Canada has less than ten. After allowing for their greater arable and habitable areas, their more temperate climate, and all other advantageous factors, there remains a discrepancy which cannot be explained away. Why has not Canada a population of between twenty and forty millions? Have Canadians made the best of their opportunities and the wealth that Nature has bestowed? Are Canadians like an army, struggling onward and making progress, but suffering unnecessarily high casualties of men and materials, owing to internal strife and lack of team play, and therefore falling short of the objectives, which, with better management, they might have attained?

These are questions which, in this Year of Jubilee we should earnestly consider, in the hope of so adjusting our national affairs that we will achieve greater things in the future.

Present Economic Conditions

Further progress has been made during the past year in the recovery of international trade. Currencies of European countries are becoming stabilized; channels of commerce are being defined; wealth and productive capacity, destroyed during the war, are being replaced; and reservoirs of buying power are filling. The result is an increasing need of goods, and improvement in labor conditions is enabling industry to meet it. Canada is benefiting by the recovery of the world.

Conditions within the country during the past year have been improving. The cumulative effort of three large crops in succession, sold at good prices, is reflected in the increased demand for goods, owing to the greater buying power of those engaged in agriculture. The immense expansion of the pulp and paper industry, with the resulting heavy exports, has contributed largely to the national trade balance. The amazing development of mining which has increased the investment of capital, and the purchases of mining equipment and material, has released great sums in expenditures.

The production of iron and steel has been sharply upward during the last three months, although the high point reached to date is very little above that of 1925. Building contracts are promising, though it is too early to tell whether the record of 1926 will be equalled or passed. Railway earnings are rising. Exports are growing. Bank deposits are increasing, but it would be better if more money were going out of the banks to develop production.

We must be careful not to over estimate the improvements which are encouraging us during the last few months. While some factories are busier, employing more people, and turning out more goods, a great many, owing to low prices of goods, are not making sufficient profits to finance expansion and maintenance; in fact, some of them are making none. There is always the tendency, a very natural one, to magnify signs of improvement here and there, and to assume that we are launching immediately into an era of prosperity. We have passed through an exceedingly trying period. The great prosperity which the United States enjoyed from 1921 up to the present, passed us by almost entirely. There has been a divergence of opinion as to causes, but the fact remains that they got it, while we missed it.

Research and Methods in Industry

All the leading nations are devoting much attention to industrial and scientific research. As a single discovery may revolutionize an entire industry, render it obsolete, or give it the key to prosperity, research is vital. No industry nor individual can disregard it. Governments, while not undertaking the responsibility of maintaining research, are realizing that it is their duty to stimulate, though not to replace, private enterprise in this field. A country such as Canada of great natural wealth, large area, and relatively small population needs every aid that applied science can give.

When most people talk about research they are thinking in terms of chemistry. It is true that we have a substantial chemical industry, in which five hundred and thirty-three manufacturing plants are engaged. These plants represent invested capital of one hundred and thirty-two million dollars; employ fourteen thousand people, and produce annually things to the value of over one hundred and twenty million dollars. Among the products are: acids salts, coal tar and products, caustic soda, chlorine, phosphorus, oxygen, carbon dioxide, acetylene, explosives, fertilizers, paints, medicinal and pharmaceutical preparations, soaps, dyes and colors, distillates and extracts. The chemical industry is one of the key industries that enter more or less into all other industries, and, in fact, into all other occupations, but research is a broader term than the study of chemistry. We should all be research men to some extent, and every department of our business should be investigating how to eliminate waste, and to make most of what we have, or to secure things for our purposes better than those we are using.

Standardization is progressing, with the inevitable result that costs of manufacturing are being reduced.

Simplification of design is marching with standardization. Industrial art creates beauty as well as utility, and appearance is an important factor. Surely it is an advantage to make or to buy beautiful things instead of ugly ones. Technical education and industrial training is extending. Research, standardization, simplification of design, industrial art, and technical skill, are building quality as well as utility into Canadian products, and quality, at least in those articles where quality is an essential, is the best salesman.

Industrial Relations in Canada

The relations between employers and employees in Canada, on the whole, are excellent. It is recognized that the welfare of all engaged in a factory is determined by the prosperity of that factory, and that all must co-operate if it is to maintain its place. The existence of in-

(Continued on page 16)

C. M. A. Meeting Held in Calgary This Week

Annual meeting of Canadian Manufacturers' Association is being held this week in Calgary.

The Financial Post is able to publish in this issue extracts from the president's annual review and summaries of the chief reports presented.

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SEEKS EXTENSION RESEARCH WORK DONE IN CANADA

C. M. A. Report Tells of Need for Scientific Study

From Report of Education Committee, Canadian Manufacturers' Association.

The importance of scientific and industrial research in the modern world is generally conceded, but apparently it requires an immense amount of effort to establish research on a comprehensive national scale in Canada.

Until 1916 there was practically no organized research work in this country. During that year, under the necessities of war and at the suggestion of the British government, the government of Canada appointed the Honorary Advisory Council for Scientific and Industrial Research. The council, which includes representatives of the universities, scientific technical and commercial organizations, acting with representatives of the government and the Civil Service, has been financed, from the beginning, by grants from the Dominion government. Since its establishment, the council has spent its funds in scholarships to selected graduates of universities so as to create a body of qualified investigators; in assisting approved researches; and in co-ordinating and stimulating research work throughout the country.

At the session of 1924, parliament passed an act amending the Research Council Act, which constituted the Honorary Advisory Council for Scientific and Industrial Research as a separate body with corporate powers. Under this legislation the council was empowered to make researches for the purpose of improving technical processes in industry and of discovering methods which may extend existing industries and develop new industries. Dr. H. M. Tory, President of the University of Alberta, was appointed President of the Council and still occupies that position, serving in an honorary capacity and not as a full time, paid officer.

Go Abroad Now to Study

Dr. Tory has recently submitted his annual report to the Hon. James Malcolm, chairman of the sub-committee of the Privy Council on Scientific and Industrial Research.

Attention is especially directed to the following suggestion from the report:

"It would perhaps be of interest and value to note that in the United States of America there are 2,000 post-graduate scholarships available each year, most of them open to graduates from Canadian universities. In Canada there is at the present time no important group of post-graduate scholarships in science available, apart from those offered by the National Research Council. It is respectfully suggested that Canadian industries would be well advised to establish a number of scholarships for the special training of men to deal with their own technical problems, for, until the number of these awards available in Canada is considerably increased, many of the most brilliant graduates of our universities will be forced to go abroad for their post-graduate training in science, with great risk of their services being permanently lost to Canada."

The question of laboratory accommodation in which to conduct experiments has engaged the attention of the council since its organization. Laboratories in Canada may be classified as follows: laboratories of the various Dominion and provincial governments; laboratories of the universities, and private laboratories maintained by industrial and other companies. The government laboratories are chiefly occupied with the problems of their departments; the university laboratories are designed to serve the interests of students and few of them are suitable or available for commercial experiments; the private laboratories are maintained for the benefit of their owners. The result is that, while a limited amount of research work can be carried on co-operatively in the above mentioned laboratories, the Honorary Advisory Council for Scientific and Industrial Research has not adequate laboratory accommodation in which to conduct research on a commercial scale. Suggestions have been made to the Dominion government to establish and maintain a laboratory at Ottawa for the use of the council, but, owing possibly to some division of opinion in regard to the advisability of this course, the government has not yet seen fit to provide the necessary funds.

Some Industries Are Co-Operating

It is fitting to point out here that individual industries and groups of industries are annually spending large sums in their own laboratories in this country in scientific experiments of a commercial character, but these are the large firms with the necessary financial resources. There are thousands of small firms which have neither the money nor the accommodation to conduct research work and it is these that need some assistance.

It is gratifying to note that some of the provinces are planning to extend their research work. There is plenty for them to do,—and with some necessary co-operation to prevent duplication with the work of the Dominion government, the provincial governments can assist greatly in the national problem by encouraging types of research which can be utilized to develop and commercialize provincial raw materials.

During the fiscal year ending March 31st, 1926, the total receipts of the council amounted to $138,573.74, of which $135,000 was granted by the Dominion government. The total expenditures of the council for the same period amounted to $138,530.74.

While the various Dominion governments since 1916 are to be commended for their interest and support of scientific and industrial research in Canada, the total amounts voted annually are a very small percentage of total governmental expenditures. There is no investment that will insure larger or more certain returns than those made in scientific and industrial research, particularly in a country such as Canada where so much wealth is waiting to be commercialized through the application of science.

What Britain and U. S. Do

In an article published in the January, 1927, issue of "Industrial Canada," Mr. S. P. Eagleson, Secretary-Treasurer of the National Research Council, says:

"Britain's total state grant to science in 1913 was $20,000. To-day, under their Advisory Research Council there is an established Governmental Department on Scientific and Industrial Research, employing 245 full-time trained scientific men and spending $2,500,000 annually. In British universities there are approximately 2,500 research students at work, and British industrial groups have organized into 24 Research Associations, taking advantage of facilities offered by the Department of Research.

"The United States is now spending $200,000,000 annually on applied science research and an additional $10,000,000 on pure science research. Five hundred large American industries have established their own research laboratories, a number of them spending from $1,000,000 to $20,000,000 per annum. Further, $1,027,000 was spent last year by smaller American industries in industrial research at the Bureau of Standards and the Mellon Institute."

This year the Parliament of Canada increased the research grant to $170,000. In speaking in favor of the increase, the Hon. Mr. Malcolm, Minister of Trade and Commerce, said in the House:

"This is one of the most important items in the whole Department of Trade and Commerce. It affects all parts of Canada, and is of interest to every Canadian who is anxious to see his country develop. It is the avowed policy of the government to prepare plans during the coming year and bring down at the next session a considerable vote to enlarge the work to an extent which heretofore has not been contemplated."

This statement will greatly encourage all those interested in scientific and industrial research, and your committee recommends that the association assist the government in every possible way to prepare plans for enlarging the scope of industrial research work in Canada.

TRANSPORTATION COMMITTEE

Report of the transportation committee of the Canadian Manufacturers' Association, delivered at the annual meeting in Calgary, reviews a number of developments in regard to steamship and railway rates and services.

No outlines of policy are set down in the report which merely summarizes the work of the year.

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From Montreal, Toronto, Hamilton to Port Arthur, Fort William
Between Montreal, Toronto, Hamilton, Windsor, Detroit

C. M. A. Watches Work of Empire Marketing

From Report of Commercial Intelligence Committee, Canadian Manufacturers' Association.

The Empire Marketing Board has been established in England. A million pounds sterling is to be the annual vote of the British government to forward its purposes.

The functions of the board are to devise various methods of propaganda to influence the people in Great Britain to use goods, primarily foodstuffs, produced within the British empire. It has been recommended that 65 per cent. of this sum be utilized for advertising of many various kinds. A smaller proportion is allotted for carrying on researches that will result in better transportation methods and better keeping qualities and better keeping facilities, such as refrigeration, etc., in the United Kingdom for goods coming from other British countries and consumed in that market.

Australia and New Zealand who, of course, compete with Canada in many lines for the British market, are known to be definitely considering supplementary expenditures to advertise Australian and New Zealand products in Great Britain. If these plans were put in actual operation your committee considered that they may have some material effect on Canadian trade and on the attitude of Canadian producers and dealers in foodstuffs towards advertising in the British market. The details of the New Zealand and Australian plans are now being sought and will probably be available in Canada shortly. When this information is available your committee believes it will be in Canada's interest and in the association's interest to call groups of the representative producers and dealers together to give them that information and to suggest that some Canadian government co-operation may be forthcoming if the Canadian producers and dealers feel that their interests would be advanced by some propaganda work in Great Britain. The committee was authorized, when the right time comes, to discuss this question with the producers and, if necessary, call meetings at which the matter can be fully discussed. Through negotiations with Ottawa your committee will be in a position to keep well informed with respect to the board's activities and possible Canadian developments dealing with lines other than foodstuffs.

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in a 5½% DEBENTURE of
The Great West Permanent
Loan Company
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Reserves 1,100,000.00
Assets 6,184,420,00
HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

BANK OF MONTREAL

Statement of the result of the business of the Bank for the half year ended 30th April, 1927

Balance of Profit and Loss Account, 30th October, 1926		$ 767,416.69
Profits for the half year ended 30th April, 1927, after deducting charges of management, and making full provision for all bad and doubtful debts		2,780,660.47
		$3,548,077.16
Quarterly Dividend 3 per cent. paid 1st March, 1927	$897,501.00	
Quarterly Dividend 3 per cent. payable 1st June, 1927	897,501.00	
	$1,795,002.00	
Provision for Taxes Dominion Government	199,583.50	
Reservation for Bank Premises	250,000.00	
		2,244,585.50
Balance of Profit and Loss carried forward		$1,303,491.66

GENERAL STATEMENT, 30th APRIL, 1927

LIABILITIES

Capital Stock		$29,916,700.00
Rest	$29,916,700.00	
Balance of Profits carried forward	1,303,491.66	
	$31,220,191.66	
Unclaimed Dividends	9,833.56	
Quarterly Dividend, payable 1st June, 1927	897,501.00	
		32,127,526.22
		$ 62,044,226.22
Notes of the Bank in circulation	$ 43,266,298.50	
Deposits not bearing interest	136,730,698.62	
Deposits bearing interest, including interest accrued to date of statement	519,848,016.02	
Deposits made by and Balances due to other Banks in Canada	2,500,227.75	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	6,035,186.49	
Bills Payable	642,389.28	
		709,022,816.66
Letters of Credit outstanding		11,825,400.79
Liabilities not included in the foregoing		1,220,330.35
		$784,112,774.02

ASSETS

Gold and Subsidiary coin current		$ 38,213,500.05	
Dominion notes		49,251,266.25	
Deposit in the Central Gold Reserves		19,000,000.00	
Deposits made with and Balances due from other Banks in Canada	$ 95,581.99		
Balances due by Banks and Banking Correspondents elsewhere than in Canada	18,490,375.16		
Call and Short (not exceeding thirty days) Loans in Canada, on Bonds, Debentures and Stocks, and other securities of a sufficient marketable value to cover	16,906,143.88		
Call and Short (not exceeding thirty days) Loans in Great Britain and United States, on Bonds, Debentures and Stocks, and other securities of a sufficient marketable value to cover	132,790,128.43		
		168,282,229,46	
Dominion and Provincial Government Securities not exceeding market value		90,007,661.84	
Railway and other Bonds, Debentures and Stocks not exceeding market value		3,935,421.19	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian not exceeding market value		28,605,880.60	
Notes of other Banks		3,826,419.00	
United States and other foreign currencies		712,307.63	
Cheques on other Banks		26,155,690.50	
			$427,990,376.52
Current Loans and Discounts in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		$249,470,228.77	
Loans to Cities, Towns, Municipalities and School Districts		22,749,114.78	
Current Loans and Discounts elsewhere than in Canada (less rebate of interest) after making full provision for all bad and doubtful debts		51,983,926.82	
Non-current Loans, estimated loss provided for		2,115,102.16	
			326,318,372.53
Bank Premises at not more than cost (less amounts written off)			11,800,000.00
Real Estate other than Bank Premises			763,973.32
Mortgages on Real Estate sold by the Bank			1,187,640.25
Liabilities of Customers under Letters of Credit (as per Contra)			11,825,400.79
Deposit with the Minister for the purposes of the Circulation Fund			1,420,787.67
Shares of and loans to controlled companies			2,302,960.32
Other Assets not included in the foregoing			503,262.62
			$784,112,774.02

NOTE.—The business of the Bank in Paris, France, and in San Francisco, U.S.A. is carried on under the name of local incorporated companies and the figures are incorporated in the above General Statement.

NOTE.—Bonds of the Merchants Realty Corporation to the extent of $2,107,000.00. secured on premises leased to the Bank, are in the hands of the public. These bonds do not appear in the above Statement as the Bank is not directly liable therefor.

VINCENT MEREDITH,
President.

FREDERICK WILLIAMS-TAYLOR,
General Manager.

SPEECHES AND REPORTS REVIEW INDUSTRY

TARIFFS OF WORLD GENERALLY SHOW RISING TENDENCY

Canada Alone is Not Increasing its Protective Tariff

From Report of Tariff Committee, Canadian Manufacturers' Association.

The Dominion Budget, introduced in the House of Commons by the Minister of Finance in February, 1927, contained no tariff changes upward or downward. The absence of tariff reductions was a welcome change in the policy under which Canada's tariff safeguards have been lowered by seven tariff reductions in the previous eight years. The fact that there were no reductions this year has contributed very materially to stability in industry and is partly responsible for the revival of trade.

Changes in Tariffs of Other Countries

Since the last annual general meeting the international trend toward higher tariffs has continued. The principal increases are summarized by countries as follows:

Great Britain — Effective April 12, 1927, an import duty of 33 1/3 per cent. was placed on rubber tires and tubes with a preferential rebate of one-third on such importations when of empire origin. Effective April 19 a protective duty of 28s. per cwt. was placed on translucent or vitrified pottery. This year Great Britain has also amended its regulations so that cameras and kodaks from Canada are dutiable at 50 per cent. ad valorem unless at least 75 per cent. of the factory cost is Canadian.

Australia—During the past year import duties of Australia were substantially increased on the following articles, viz.: lines of silk piece goods, caps and sewn hats, n.e.i., carpet felt, woollen yarn, silk yarn, certain machinery, storage batteries, imported with automobile chassis, wire, and many classes of heavy iron and steel products.

Germany—During the past year the duties on various agricultural and animal products were raised. Among the articles so affected are importations of wheat, wheat flour, rye, oats, certain meats, and butter.

Italy—During the past year duties were increased, in some cases by as much as 100 per cent., on numerous articles including horses, fruits, certain textiles, iron or steel tubes, certain coated, enamelled and nickelled manufactures, hay rakes, forage cutters, typewriters, cash registers, vacuum cleaners, lifting jacks, pulley blocks, ball bearings, lenses, telescopes and optical instruments, motorcycles and sidecars, tires and tubes, films, various chemicals and colors. Protective duties were also imposed on ham, bacon, other salted or smoked meats and lard.

Spain—On July 9, 1926, elaborate measures were made effective for the protection and development of Spanish agricultural and industrial production. These measures included:

1. Prohibition of importation of foreign wheat and flour.
2. Increased duties on agricultural products such as rye, barley, maize, bran, potatoes.
3. Restrictions on the importation of metal manufactures for undertakings benefiting from state assistance, direct or indirect.
4. Duties increased by 10 per cent. to 20 per cent. on animals, metal manufactures, machinery, electrical material, vehicles, cotton yarns and fabrics, vegetable textiles (other than cotton) yarns and fabrics, woollen yarns and fabrics, silk fabrics.

Norway—The surtax of 33 1/3 per cent. of the normal duties was raised to 50 per cent. on July 9, 1926.

Hungary—A decree was issued November 5, 1926, requiring that three times the normal duty shall be levied on goods imported into Hungary from a country which does not grant the same tariff concessions to Hungarian goods as to goods of other countries or which levies a higher duty on Hungarian goods or otherwise treats them less favorably than other foreign goods.

Austria—The protective rates of duty on numerous articles were increased in a number of instances by 100 per cent. or more; and it was announced that the object of the tariff revision was to defend the Austrian market for Austrian producers and to strengthen the hands of Austrian negotiators of commercial treaties for the extension of Austrian trade with other countries. Among the products on which the tariff rates were raised are: cottons, woollens, tires, iron and steel products, including machinery. United States and British government reports show that further increases in duties are now proposed on wheat and other grains, cattle, fish, poultry, eggs, butter, meat, cotton goods, oiled cloth and manufactures thereof, motor cars, motorcycles and parts thereof.

France—On July 6, 1926, the duties on various foodstuffs which had been suspended during the war were reimposed. On August 17 the customs duties in general were again increased by 30 per cent. This increase was computed on the basic duties (and coefficients) plus the 30 per cent. increase of April 6, thus equalling a total advance in the basic duties (and coefficients) of 69 per cent.

A new draft tariff was introduced by the French government in March, 1927, which will greatly increase the already high customs rates of that country. The Commercial Attache of the United States in Paris in reporting officially to his government in regard to this new tariff says:

"The theoretical basis on which the French government wishes its new tariff to rest involves an act which shall be a unit balancing the interests of producers and consumers and of producers among themselves. It is to be a unit, moreover, which will give adequate protection to the key industries, including particularly agriculture, metallurgy, and the chemical industry. It must yield an increasing revenue to enable the government to balance its budget and make headway against the heavy debt charges it must now bear. As far as possible it must favor colonial trade, because in so doing the dependence on foreign markets is cut down, the balance of payments is made easier, and the development of the colonies promoted.

"Finally, the new tariff must be such, that while guaranteeing adequate protection and revenue in itself, it can be used also to secure favorable conditions of export for French manufactures through the conclusion of commercial treaties.

"Of the 22,900 factories which it was found necessary to reconstruct wholly or in large part, about 21,000 are now restored to operation. They have installed new material of greater yield than was possible with the outworn equipment previously used. Modern processes have been applied, especially in the textile industry.

"These developments put France in a stronger position to produce than ever before and enables French industry to defend itself against foreign competition to better advantage. At the same time, however, French producers feel that because of their larger yield they are justified in demanding that the domestic market be in the largest degree possible, reserved to them through the adoption of suitable tariff rates, at the same time that the tariff be reformed in such a way that, for concessions granted in the French market, French manufacturers may be guaranteed a greater access to foreign fields."

Other countries which have increased their tariff since the last annual meeting are Belgium, Brazil, Czecho-Slovakia, Ecuador, Greece, Lithuania, Mexico, Nicaragua, Peru, Portugal, Russia, New Zealand, British India, Syria and Uruguay.

Favored Nation Treaties

There is now a considerable list of countries which can send their products into Canada at lower rates of duty than those existing formerly, as a result of trade agreements made with Canada during recent years. Products of the following countries enter Canada at most-favored-nation rates:

France, French Colonies, Possessions and Protectorates.

Colombia, Norway, Switzerland.

Italy, Italian Colonies and Possessions.

Argentine Repbublic, Denmark, Japan, Russia, Sweden, Venezuela.

Belgium and Luxembourg, including Belgian Colonies, Possessions and Protecorates.

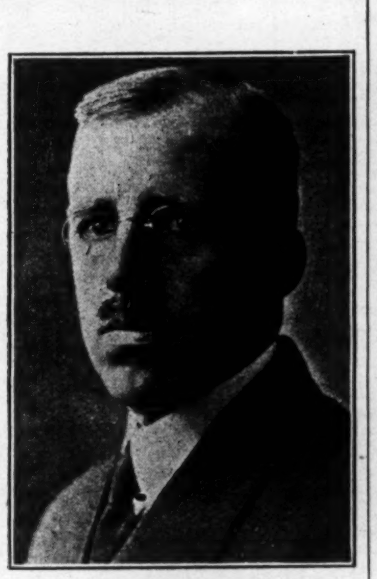
Netherlands, including Netherlands Indies, Surinam and Curacao, Finland.

Countries whose products enter Canada under intermediate tariff rates are: Spain, Czecho-Slovakia.

Men Who Guide Destinies of Manufacturers Association

J. M. TAYLOR,
Of Taylor-Forbes & Co., Guelph, last year's president of Canadian Manufacturers' Association.

W. S. FALLIS,
Managing Director, Sherwin-Williams Co. of Canada, slated for election as President of the Canadian Manufacturers' Association.


L. W. SIMMS,
President of T. S. Simms & Sons, due for promotion to the post of First Vice-President of the Canadian Manufacturers' Association.

SEEK TO DEFINE TAX AUTHORITY OF GOVERNMENTS

Conflict of Jurisdiction Deplored by C.M.A. Committee

From Report of Legislation Committee, Canadian Manufacturers' Association.

By far the largest of present day business is carried on by incorporated companies of limited liability, which proves the advantage of doing business in this manner as compared with the old partnership.

Over 21,000 companies, with a total authorized capital of $5,056, 135,939, have been incorporated in Canada, under dominion and provincial charters, during the past six years. These totals cover all incorporations with the exception of a few companies which have secured autherization direct from parliament or the provincial legislatures, by special act.

1926 was the record year for new incorporations, with a grand total of 4,000 companies, their total authorized capital reaching the huge sum of $1,046,-559,777, exceeding the previous year's total by over one hundred million.

Ontario Has Most Companies

Of the nine provinces, Ontario leads all others, the yearly total of authorized capital ranging between the two and three hundred million mark, followed by Quebec, and then by British Columbia.

When it is considered that under our federal system established by the British North America Act, commercial companies may be incorporated under no less than ten different acts (the Dominion Companies Act and the Companies Acts of the nine provinces) it will readily be perceived that the subject is one of no small magnitude.

A company may thus be incorporated under the Dominion Companies Act, or under any of the Provincial Companies Acts. Under Section 92 of the B.N.A. Act, 1867, the provincial legislatures have power to pass a Companies Act authorizing the formation of companies, with provincial objects,—and these companies must have a license from any other province in which they carry on business under the Extra Provincial Corporations Act of that province.

The Dominion can incorporate a company with capacity to carry on business throughout Canada, and a province cannot interfere with the status and corporate capacity of a Dominion company, in so far as that status and capacity carries with it power conferred by the parliament of Canada to carry on business in every part of the Dominion.

But a company incorporated under the Dominion Companies Act can be prevented from acquiring and holding land in a province until the requirements of a General Mortmain Act have been complied with.

Incorporation by Registration

The legislatures of the Provinces of Nova Scotia, Saskatchewan, Alberta and British Columbia have adopted the system of incorporation by registration, and in their Companies Acts have followed broadly the lines of English company legislation. The Dominion parliament and the legislatures of Ontario, Quebec, Manitoba, Prince Edward Island, and New Brunswick have, on the other hand, adopted the system of incorporation by letters patent, issued in the name of the crown by one of its officers.

The respective merits of these two systems of incorporation have been much debated. But whatever may be the difference of opinion on this point, there is complete agreement that in the interests of the business community, it is highly desirable to have the greatest possible uniformity. To this end, many authorities advocate the adoption by the Dominion parliament and the provincial legislatures of the English system of registration, and as far as practicable, the provisions of the Imperial Companies Act. This would ensure more uniformity not only in legislation, but also in the jurisprudence,—a result which would be heartily welcomed both by lawyers and business men.

Though it cannot be said that anything like complete uniformity has been attained, some important clarifying principles have, in recent years, been laid down, largely as a result of the efforts of the Canadian Manufacturers' Association. It has now been completely established that a province cannot, by way of enforcing a tax, suspend a company's corporate status or its capacity to sue, and be sued. Another principle which is now well established is that a province cannot, in its legislation, discriminate against Dominion companies and in favor of its own companies.

Merits of Two Systems

If the company's activities are to be confined to one province, it is usually cheaper and in every way better, to obtain incorporation in that province. If the company proposes to carry on business outside the Dominion or throughout the Dominion, or in several provinces, incorporation under the Dominion Act is advisable. If the company's business is primarily provincial, but its operations may extend farther, the jurisdiction under which to incorporate is a matter of choice, largely to be determined by the relative fees and taxation.

In practically every province of Canada, companies not locally incorporated are obliged to comply with certain provincial requirements in order to "carry on business" in the province. In every province, except Prince Edward Island, however, taking orders for, or buying or selling goods, wares, etc., by travelers or by correspondence, is not considered to be "carrying on business," provided that the company has no resident agent or place of business in the province.

As regards provincial taxation, the present situation is that all the provinces, except Saskatchewan and Alberta, tax companies on the basis of the amount of capital employed in the particular province, and while these two provinces still tax on the basis of the authorized capital, they have a fixed maximum of $500 in each case.

Under the Companies Acts of the Dominion, Ontario, Manitoba, Quebec and New Brunswick incorporation with stock of no par value is now allowed.

Your Legislation Committee is negotiating with the Secretary of State's Department with a view to having company matters included in the agenda of the forthcoming conference of provincial prime ministers with Dominion representatives at Ottawa, to be convened in the fall, in the hope of getting some definition of taxation jurisdiction, as previously reported.

McDougall & Cowans

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130 St. James Street

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MONTREAL

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New Issue

$1,700,000

The Canadian Western Natural Gas, Light, Heat and Power Company, Limited

6% Participating Sinking Fund Preference Shares

Preferred as to capital and dividends. Cumulative dividends at the rate of 6% per annum payable quarterly March 1st, June 1st, September 1st and December 1st, by cheque payable at par at any branch in Canada of The Royal Bank of Canada, or in United States funds at the Agency of The Royal Bank of Canada in New York. Redeemable as a whole or in part at the option of the Company on any dividend date on sixty days' notice at 105% of par value plus accrued and unpaid dividends to date of redemption. In addition to the fixed dividend of 6% per annum, holders of Preference Shares shall be paid a further dividend of 1% per annum, in the event of the Company declaring and paying dividends at the rate of not less than 7% per annum on the ordinary shares.

This issue has been approved by Board of Public Utility Commissioners for the Province of Alberta.

Annual Sinking Fund to commence December 31, 1930, for exclusive retirement of Preference Shares, equal to 2% of all issued Preference Shares.

There will be placed with the Montreal Trust Company for the exclusive retirement of the Company's 5% Registered Debenture Stock a sum equal to the par amount of all such Debenture Stock now outstanding. These Preference Shares, therefore, will be, in effect, the senior security of the Company.

For detailed information, we refer to the prospectus containing letter from Mr. C. J. Yorath, President of the Company, which has been summarized in part as follows:

The Company

The Canadian Western Natural Gas, Light, Heat & Power Company, Limited, produces and distributes natural gas for heating and industrial purposes to the cities of Calgary and Lethbridge and the towns of Granum, Claresholm, MacLeod, Nanton, Okotoks and Brooks. The Company serves a population of approximately 85,000.

Earnings

For the three years and three months ended December 31, 1926, net earnings available for dividends on Preference Shares and income taxes, as certified by Messrs. George A. Touche & Company, Chartered Accountants, Calgary, were at the rate of $436,429 per annum—equal to over 2.8 times dividend requirements on all Preference Shares now outstanding, including those proposed to be issued.

The above earnings are after operating expenses, including maintenance and repairs, and after deducting an average of $185,977 per annum set aside for amortization in accordance with Order of the Board of Public Utility Commissioners for the Province of Alberta, dated November 16, 1926.

Assets

Tangible assets of the Company, as determined by Board of Public Utility Commissioners for the Province of Alberta for rate making purposes, were valued, as at November 16, 1926, at $6,192,440, or equal to over $238 for each $100 of par value of Preference Shares now outstanding and including those proposed to be issued.

Preference Shares

The authorized amount of Preference Shares of the Company is $3,000,000, of a par value of $100 per share, of which $2,600,000 par value will be outstanding, including the shares proposed to be issued. Preference Shares are preferred as to capital and dividends, but they are non-voting, unless four quarterly dividends shall be in arrears.

We offer these Shares for delivery if, as and when issued and received by us and subject to the opinion of our Counsel at,

Price: 97 and accrued dividend, yielding 6.19%

Wood, Gundy & Company
Limited

Winnipeg
Hamilton
London, Ont.

36 King Street West
Toronto
Telephone: Elgin 4321

Montreal
New York
London, Eng.

The information contained in this advertisement is based upon statements and statistics which we believe to be reliable. We do not guarantee, but believe the statements herein made to be true.

NATION'S BUSINESS

(Continued from page 1)

been extracted from a document on world migration just published.

The United States percentage has declined steadily. In 1922 it was 40.9 per cent. In 1923 42.3 per cent. In 1924 it was 22.5 per cent.

The greatest migration stream of all moved from 1911 to 1913 and the United States was the chief one to gain in population. Canada also drew an immense total of migrants then. The League bulletin does not attempt to forecast when the next stream will begin to move but Canada may be assured that when it does it will bring thousands to our shores.

• • •

BRITISH North American ranks after Argentina and the United States in attracting new immigrants. In 1924 the emigration from Europe moved as follows:

To Argentina	131,812
To United States ..	128,692
To British North America	93,854
To Brazil	67,117
To Oceania	58,442

Italians and other Southern Europeans, who formerly flocked to the United States are now invading South America.

Immigration flow to Canada has increased in volume since 1924 and it would not be surprising if Canada led the world in recruiting new citizens by immigration in 1927.

• • •

IN HIS address at the annual meeting of the Canadian Manufacturers Association, John M. Taylor, last year's president, emphasized the importance of scientific research in the industrial development of a nation. The report of the Education Committee of the Association also dealt at length with the subject.

It is to be hoped that before the sessions close at Calgary, the C.M.A. will have committed itself to more than a moral endorsement of scientific research.

Winnipeg Electric Attracts New Interests

From Our Own Correspondent.

MONTREAL.—The shares of Winnipeg Electric have been climbing upward during the past week, until they are now at levels higher than they have reached during the past ten years. The rise in the stock seems to be due solely to the steadily improving position of the company and its subsidiary, with which perhaps might be coupled the general rise in the stock market.

FOREIGN EXCHANGES

Higher Level for New York Funds

Foreign exchange dealings during the past week were quiet, though buying has been on a good scale. New York funds were in demand, the bid of 5-64 discount earlier in the week being gradually increased to 1-64 discount, which was bid on Wednesday. Funds were not available in any large quantities at the former figure and in view of heavy commitments to be met in New York, the rate will probably hold around the present level, although it may go a trifle higher.

The lira was again an active feature of the market, a fresh forward movement having carried it across the 5½ cent level. It is said that the rise is due to the Italian loans in New York, and the move to improving credit and bringing down the cost of living. Parts of the proceeds obtained from recent American loans have been sold by the government, while a large amount of foreign capital has gone into Italy, attracted by high rates for money and low prices of leading industrial stocks.

The Japanese yen has also come in for some attention. No definite policy regarding yen exchange has been laid down by the government, but last week's speculation was curbed by action from official sources. The government's decision to cease shipping gold to the United States is taken to indicate that a return to the gold standard will not take place this summer. How long the removal of the gold export embargo will be postponed depends upon the effectiveness of the measures recently taken to stem financial uneasiness, and the celerity with which business recovers from its present depressed state.

The balance of the list was little changed. Sterling displayed a firm tendency, while some of the South American currency exhibited strength.

New York Funds

	High	Low	Last Year High	Last Year Low
	(Discount)		(Discount)	
May 26	7-64	1-8	5-64	9-64
May 27	1-16	7-64	1-8	9-64
May 28	5-64	3-32	9-64	5-32
May 30	3-32	7-64	5-32	3-16
May 31	1-64	3-32	1-8	5-32

Sterling, Francs and Lire

	close Sterling	close Francs	close Lire
May 26	4.85½	3.91¾	5.48
May 27	4.85 15/32	3.91⅝	5.46¼
May 28	4.85 7/16	3.91½	5.46¾
May 30	....	....	....
May 31	4.85 7/16	3.91 9/16	5.49½

FOREIGN EXCHANGE

Par		May 25	May 31
13.90	Italian	5.45	5.50
32.45	Brazilian	11.81	11.83
23.82	German	23.67	23.70
19.30	Belgian	2.78	2.78
84.85	Japan	46.50	46.25

No "Split" in Sight for Sherwin-Williams

From Our Own Correspondent.

MONTREAL.—The Sherwin-Williams Company of Canada has just completed the first three-quarters of its fiscal year; it is understood that earnings during that period were in excess of those of the same period of a year ago. The betterment in the company's earning power may have been responsible for the rise in the stock to new high record levels, but it seems more reasonable to attribute its appreciation to the general rise in the market.

Following the rise in the stock, there were the usual rumors about a forthcoming split in the shares, but as far as The Financial Post has been able to ascertain there seems no immediate likelihood of any such split. That a split will ultimately take place seems to be a foregone conclusion, but there is nothing to indicate that the management has it under active consideration at the moment, or will consider it at an early date.

The dividend rate on the common of Sherwin-Williams Company is 5 per cent., as compared with earnings last year of 9.23 per cent. on the stock.

URGES RESEARCH AS AID IN KEEPING PACE WITH WORLD RAPID CHANGES

(Continued from page 14)

dustry depends on management, which must supervise and correlate production, selling and finance. Management is becoming increasingly distinct from ownership, and its selection is the key to success.

With the spread of education there is a better comprehension of the economic laws on which manufacturing is based. People are realizing that there is often a gap between what is desirable and what is practicable. This is illustrated in the field of social legislation. It is desirable that all should have good incomes, brief working hours, sufficient time for leisure and recreation, insurance against accidents, sickness, and unemployment, and other benefits. But there is no magic fund to pay for all these things. They must be paid for out of the earnings of industry. In the final analysis, we all work for the public—a fickle master. A model factory may be built and equipped with rest-rooms, cafeterias, recreation grounds; the employees may work six hours a day, at high wages, and with the certainty of pensions, compensation, benefits, minimum wages, and similar privileges, but if the public does not like the product or thinks that the prices of goods, made under such admirable conditions, are too high, the factory must close, the capital will be lost, and the staff will lose their employment. There is no law, nor can there be any law to compel the public to buy. Consequently, the degree to which social legislation can be established, and maintained is always determined in the end by the public—which decides how much it is willing to pay. But where this fundamental economic law is recognized, study and goodwill are doing a great deal to safeguard employees against the great hazards of life, such as sickness, accident, unemployment, old age and death. It is not an extravagant statement, because it is based on facts, that the standards of living and working conditions are higher to-day in the United States and Canada than in any other countries in the world, with the possible exception of Australia and New Zealand.

Taxation Still a Burden

The burden of taxation, which at times has been almost insupportable since the war, is beginning to diminish. The Dominion Government is to be commended for the reductions in taxation made in the budgets of 1927 and 1926, but it is regretted that dividends paid by manufacturing companies, already assessed in corporation taxes, must still pay a second time in personal incomes. It is hoped that the Government will see fit to abolish this double taxation in the next budget.

Most of the provinces have reduced their expenditures and balanced their budgets, but municipal expenditures on the whole do not appear to have been curtailed to the same extent, although there are some signs of improvement. To get the best results all three, Dominion, Provincial and Municipal Governments should co-operate in keeping down expenditures. At the present time Dominion, Provincial and Municipal Governments take every year about one-quarter of the value of the net production, and about one-seventh of the value of the gross production of this country.

While we want to see reasonable expansion, we do not want any more booms, and the danger is that with reviving prosperity, governments as well as private individuals and corporations may rush into unnecessary expenditures, which will increase debts and taxes, and ultimately bring depression.

We are constantly tempted to live on the same scale as that of the United States, a country which has many times our population and wealth, but we cannot do this without increasing our debts. We might with advantage take a leaf out of the book of the United States in the matter of debt reduction. She has adjusted her finances so as to liquidate her national debt at the rate of one billion dollars per year, and to pay it off in twenty years. We have not the productive capacity nor financial resources to get free of debt in so brief a space, but we can provide for reasonable expansion, regulate expenditures, keep down taxation, and pay off a fair amount of debt annually. This is the problem that every company and individual has to solve, and governments should be guided by business principles.

Managing Our Estate

The material future of Canada largely depends on the extent to which we can develop the resources of our forests, farms, mines, fisheries, and factories; in other words, on the manner in which Canada can mobilize her man power, finances, materials, equipment, technical knowledge and skill, and direct these forces intelligently in the international game of business. How this can best be accomplished is a matter of opinion, but it is suggested, as a preliminary, there should be friendly co-operation and sympathetic study by Canadians living in all of the provinces, and engaged in various occupations. I do not mean that we should start interfering with one another's affairs, or instructing each other how personal business should be conducted; but, in addition to making a living, is it unreasonable to suggest that we devote some time to trying to understand the problems of those engaged in other callings? Our national policies will only be completely successful when they stop emigration entirely from Canada. Canadians should not have to leave Canada to seek work. When they do there is something wrong, and we should find it out and correct it. A country with natural resources outlined above should be able to provide a living for every person born within its boundaries. The finest product of this country is its people, particularly its young people, and they should be prized above all other assets.

During the past sixty years, in spite of all difficulties, and in the face of almost insuperable obstacles, Canada has made considerable progress. May we hope that Canadians will evolve and adopt plans for the future, not on the basis of politics, theory, locality, or occupation, but on the foundation of practical common sense, and in the national interest? With the character and intelligence of the Canadian people, with the resources at their disposal, it is certain that this country is on the road to a high and honorable place in the world, if there is friendly, sincere and intelligent co-operation in the national welfare.

Only $25,000.00

Two-storey, modern summer house, 14 rooms, 4 bathrooms, living room 70 feet long, large screened veranda, gardener's cottage, launch house, wharf, kitchen garden, every modern requirement, 74 acres of land, well-wooded. Golf nearby and fishing. Within four hours by train or bus from Toronto.

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Daring a good deal, for a country of Canada's population, the number of copies of The Financial Post Survey of Corporate Securities to be printed was placed at 8,500. The book is only coming off the presses now, but at the end of May well over 5,500 copies have been ordered.

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C.S.

DOMINION TEXTILE COMPANY LIMITED

NOTICE OF DIVIDEND

A Dividend of One Dollar and Twenty-Five Cents ($1.25) per share on the Common Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending June 30th, 1927, payable 2nd July, to shareholders of record June 15th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, May 30th, 1927.

No. 0098 of 1927

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
MR. JUSTICE ROMER

IN THE MATTER of KIRKLAND LAKE PROPRIETARY (1919) LIMITED and Reduced

—and—

IN THE MATTER of THE COMPANIES (CONSOLIDATION) ACT 1908.

NOTICE is hereby given that a petition for confirming the reduction of the capital of the above Company from £1,000,000 to £591,646/10/0 was on the 8th March, 1927, presented to the High Court of Justice and is now pending. A list of the persons admitted to have been creditors of the Company on the 7th May, 1927 (the date fixed by the Order in this matter dated the 16th May, 1927), may be inspected at the offices of Messrs. J. P. Langley & Co., McKinnon Building, Jordan and Melinda Streets, Toronto, at any time during business hours, on payment of the charge of 20 cents.

Any person who claims to have been on the 7th May, 1927, and still to be a creditor of the Company, and who is not entered on the said list and claims to be so entered, must on or before the 15th June, 1927, send in his name and address and the particulars of his claim, and the name and address of his attorney (if any) to the undersigned at McKinnon Building aforesaid or in default thereof he will be precluded from objecting to the proposed reduction of capital.

DATED this 1st day of June, 1927.

J. P. LANGLEY & CO.,
Chartered Accountants,
McKinnon Building,
Jordan and Melinda Streets,
TORONTO,
Auditors to the Company in Canada.

THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1927, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the 4th day of July, 1927, to shareholders of record of the 20th June, 1927.

By order of the Board.
C. A. BOGERT,
General Manager.

Toronto, 26th May, 1927.

THE KEELEY SILVER MINES Limited

(No Personal Liability)

Notice is hereby given that the Annual General Meeting of the Shareholders of THE KEELEY SILVER MINES, LTD. (No Personal Liability), will be held in the Board Room of The Trusts & Guarantee Company, Limited, 302 Bay Street, Toronto, Ont., on Monday, the twenty-seventh day of June, 1927, at the hour of 11 a.m. (daylight-saving time), for the purpose of receiving the reports and accounts for the fiscal year ending the 28th of February, 1927; for the election of Directors for the ensuing year; for the appointment of Auditors, and for the transaction of all such other business as may come before the meeting.

Dated at Toronto, this twenty-sixth day of May, 1927.

By order of the board,
RICHARD S. DENING,
Secretary.

CANADIAN LORRAIN SILVER MINES, Limited

(No Personal Liability)

To the Shareholders:

Notice is hereby given that the Annual General Meeting of the Shareholders of CANADIAN LORRAIN SILVER MINES, LIMITED (No Personal Liability), will be held in the Board Room of the Trusts and Guarantee Company, Limited, 302 Bay Street, Toronto, Ont., on Monday, the twenty-seventh day of June, 1927, at the hour of 2.30 p.m. (daylight-saving time), for the purpose of receiving the reports and accounts for the fiscal year ending the 28th of February, 1927; for the election of Directors for the ensuing year; for the appointment of Auditors, and for the transaction of all such other business as may come before the meeting.

Dated at Toronto, this twenty-sixth day of May, 1927.

By order of the board,
RICHARD S. DENING,
Secretary.

PIONEER MINING CORPORATION, Limited

(No Personal Liability)

To the Shareholders:

Notice is hereby given that the Annual General Meeting of the Shareholders of PIONEER MINING CORPORATION, LIMITED, (No Personal Liability), will be held in the Board Room of the Trusts & Guarantee Company, Limited, 302 Bay Street, Toronto, Ont., on Tuesday, the twenty-eighth day of June, 1927, at the hour of 11 a.m. (daylight-saving time), for the purpose of receiving the reports and accounts for the fiscal year ending the 31st of March, 1927; for the election of Directors for the ensuing year; for the appointment of Auditors, and for the transaction of all such other business as may come before the meeting.

Dated at Toronto, this twenty-sixth day of May, 1927.

By order of the board,
RICHARD S. DENING,
Secretary.

Barcelona Traction Light and Power Company, Limited

(Incorporated under the Laws of the Dominion of Canada)

5½% FIRST MORTGAGE BONDS

NOTICE IS HEREBY GIVEN that the half-yearly interest on the 5½ per cent. First Mortgage Bonds of the Company, payable in pesetas, and due 1st June, 1927, will be paid on and after such date at the offices of Messrs. Arnus-Gari, 9 Paseo de Gracia, Barcelona, Spain, against production of Coupon No. 31.

Bondholders have the option of collecting the above peseta interest at the Canadian Bank of Commerce, 25 King St. West, Toronto, in Canadian currency at the current rate of exchange between Madrid and Toronto for the day upon which such coupons are presented for payment.

Bondholders who have not lodged their Bonds for the purpose of having printed thereon a Memorandum of the Resolutions passed at the Bondholders' Meeting held on the 25th June, 1924, and of the Supplemental Trust Deeds executed in accordance therewith, and for the purpose of having new Coupon Sheets attached, should do so without delay, as the above interest will only be paid against the presentation of the new form of Coupon.

DATED this 28th day of May, 1927.

For BARCELONA TRACTION, LIGHT & POWER COMPANY, LIMITED.
R. H. MERRY, Secretary.

DIVIDEND NUMBER 163

Hollinger Consolidated Gold Mines Limited

(No Personal Liability)

A dividend of 2% on the outstanding capital stock of the Company has been declared payable on the 17th day of June, 1927, on which date cheques will be mailed to shareholders of record at the close of business on the 1st day of June, 1927.

Dated the 25th day of May, 1927.

I. McIVOR,
Assistant-Treasurer.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Ottawa and Hull Power Company Limited

Dividend No. 15

A DIVIDEND of One and three-quarter per cent. (1¾%) on the PREFERRED STOCK of OTTAWA AND HULL POWER COMPANY LIMITED has been declared for the quarter ending May 31st, 1927, payable June 15th, 1927, to shareholders of record May 31st, 1927.

By order of the Board.
L. C. HASKELL, *Secretary.*

May 19th, 1927.

Packing Plant of the DUMART PACKING COMPANY, LIMITED, of KITCHENER, ONTARIO, is being offered for sale. Full information may be had at the Company's office, Kitchener, Ontario. Plant may be inspected at any time during business hours. Offers will be received up to June 10th, 1927.

SOUTHERN CANADA POWER COMPANY LIMITED

Preferred Dividend No. 30

A DIVIDEND of one and one-half per cent (1½%) on the PREFERRED STOCK OF SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending June 30th, 1927, payable July 15th 1927, to shareholders of record June 25th, 1927.

By order of the Board.
L. C. HASKELL,
Secretary

Montreal, May 20th, 1927.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Ottawa-Montreal Power Company, Limited

Preferred Dividend No. 10

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of OTTAWA-MONTREAL POWER COMPANY LIMITED, for the quarter ending June 30th, 1927, payable July 15th, 1927, to shareholders of record June 30th, 1927.

By order of the Board,
L. C. HASKELL, Secretary

May 20th, 1927.

The Sherwin-Williams Company, of Canada, Ltd.

Notice is hereby given that the twenty-seventh (27th) quarterly dividend of one and a half per cent. (1½%) for the quarter ending May 31st, 1927, on the Common Stock of the Company has been declared payable to shareholders of record the 15th day of June, 1927, and that cheques will be mailed June 30th, 1927.

Books not closed.

By order of the Board.
D. A. WHITTAKER,
Vice-Pres. and Sec'y-Treas.

Montreal, Que., May 20th, 1927.

The Sherwin-Williams Company, of Canada, Ltd.

Notice is hereby given that the sixty-fourth (64th) quarterly dividend of one and three-quarters, per cent. (1¾%), being at the rate of seven per cent. (7%) per annum for the quarter ending May 31st, 1927, on the Preferred Stock of the Company has been declared payable to shareholders of record the 15th day of June, 1927, and that cheques will be mailed June 30th, 1927.

Books not closed.

By order of the Board.
D. A. WHITTAKER,
Vice-Pres. and Sec'y-Treas.

Montreal, Que., May 20th, 1927.

Debentures For Sale

TENDERS will be received by the undersigned up to noon of Monday, the 13th day of June, A.D., 1927 for the sale by the Corporation of the County of Renfrew for the sale of Debentures as follows: $18,152.49—5½ per cent. Ten Years—County of Renfrew share of expenditure due the Department of Highways for construction within the County for the year 1926; Debentures dated February 1st, 1927, payable in ten equal annual instalments at the Pembroke Branch of the Bank of Nova Scotia. Tenders must be with interest. These Debentures are issued pursuant to By-law No. 1093 of this Corporation and have been validated and certified by The Ontario Railway and Municipal Board.

No Tender necessarily accepted.

Mark envelope "Tenders."

Dated at Pembroke this 19th day of May, A.D. 1927.

R. J. RONEY,
County Clerk,
Pembroke, Ont.

HOWARD SMITH PAPER MILLS LIMITED

Dividend Notice on Preferred Stock

Notice is hereby given that a dividend of 2% on the Preferred Stock of the Howard Smith Paper Mills, Limited, has been declared for the quarter ending the 30th day of June, 1927, payable on the 11th day of July, 1927, to Shareholders of record at the close of business on the 30th day of June, 1927.

By order of the Board.
E. HOWARD SMITH, Jr.,
Secretary.

Montreal, May 23rd, 1927.

BELGO CANADIAN PAPER COMPANY, LIMITED

Dividend Notice

Notice is hereby given that the following dividends have been declared for the quarter ending June 30th, 1927:—

Dividend No. 16 on the preferred stock: One and three-quarters per cent. (1¾%) payable on the 2nd day of July, 1927, to shareholders of record of the 3rd day of June, 1927.

Dividend No. 11 on the common stock: One and a half per cent. (1½%) payable on the twelfth day of July, 1927, to shareholders of record of the 30th of June, 1927.

By Order of the Board,
G. WILFRED HODGSON,
Secretary-Treasurer.

Montreal, May 18, 1927.

The Wabasso Cotton Company, Limited

Dividend No. 38 and Bonus

Notice is hereby given that a Dividend of One Dollar per share on the Capital Stock of the Company has been declared for the quarter ending 30th June, 1927, also a Bonus of Fifty Cents per share payable on the 2nd day of July, 1927, to Shareholders of record as at the close of business on the 15th June, 1927.

By Order of the Board,
JAS. R. RITCHIE,
Secretary-Treasurer.

Three Rivers, Que., May 12th, 1927.

ST. MAURICE VALLEY CORPORATION

Dividend Notice

Notice is hereby given that a dividend of 1¾% for the three months ending June 30th, 1927, being at the rate of 7% per annum on the paid up Preferred Stock of this Corporation, has been declared and that same will be paid on the second day of July, 1927, to shareholders of record at the close of business June 15th, 1927.

By Order of the Board,
G. WILFRED HODGSON,
Secretary and Treasurer.

Montreal, May 23, 1927.

Ten Thousand will handle this

Solid Brick Business Block, first class condition, and location, all under lease and yielding 9½% net, must be sold. This is a permanent investment without risk. No Agents.

Apply Box 50,
Financial Post, Toronto, Ont.

SALES & ADVERTISING MANAGER

With worthy credentials and successful record desires change. Canadian; married; age 33. At present engaged, but seeks new association with reputable and well-established concern, where executive experience in sales and advertising problems can be applied.

Box 52, Financial Post,
153 University Ave.,
Toronto, Ont.

Featuring Highway Transportation

THE FINANCIAL POST

Special Section 17-24 PUBLICATION OFFICE: TORONTO, JUNE 3, 1927 Special Section 17-24

Solution of Highway Transport Problems Becoming Imperative

Growth Has Been So Rapid, Regulation Far Behind

CENTRALIZE CONTROL

Segregation of Local from National Operations and New Form of License First Step

By T. E. McDONNELL, V.P.,
Canadian Pacific Express Company.

It is generally conceded that in the national interest we must have good roads and that we must be permitted in the national interest to make the widest possible private use of those roads, and in addition to make such use of those public roads as a place to carry on private business as shall be properly determined to be in the general public interest and without unjust discrimination against other necessary and desirable established agencies of transportation, whether these other established agencies be by highway, railway or waterway.

We have highway transportation and we seem to like it so well that we are constantly encouraging its growth by spending hundreds of millions of dollars on roads which will make more of it possible. Its growth has been so rapid it has left regulation far behind resulting in an equally rapid growth of the number and kinds of discriminations in the transportation business.

It is generally admitted a problem in transportation exists which must eventually be solved.

Segregate Activities

One difficulty in solving the problem is the desirability of keeping necessary local activities free from centralized control. Without going deeply into the details these local activities include ordinary deliveries and cartage in urban and rural communities and they also include the taxicab, the city bus, the hotel bus and the rural school bus. Any form of centralized control to be satisfactory should eliminate from its provisions these and other similar operations of a purely local nature. The range of local movement free from centralized control should be sufficiently extensive to provide for reasonable business practice. Segregations of local activity should be accomplished by some plan that will permit administration of both local and general activity by established regulating bodies without conflict and be easily enforcable by existing police powers, to the end that it will not add anything to the present burdens of the general tax payer.

The problem involves also a distinction between the common carrier for hire and the contract carrier for hire. Control of one without control of the other has not proved to be a satisfactory solution for obvious reasons.

Assuming it is admitted that efficient transportation in all its forms, new and old, is necessary and desirable in achieving our national ambitions and destiny, and assuming also that it is the national policy that all those engaged in necessary transportation service shall be accorded equal opportunity and be charged with equal responsibility, we are confronted with the problem that all carriers in competition for the same traffic are not regulated to the same degree and have not therefore equal opportunity and are not charged with the same responsibilities.

Measure of Control Needed

The more responsible of the highway transport people have already realized that in their own interest there is urgent necessity for some reasonable measure of control if the transport business is to be saved from destruction by the uncontrolled and unbusinesslike operations of what have come to be known as "Fly by night operators," operators who have little if any knowledge of transportation as a business; little if any knowledge of costs, especially renewal costs and a financial investment often no more than a first instalment payment on a used truck. Operators of that type become easy prey for any unscrupulous shipper who is willing to play one against the other in a short sighted effort to secure immediate transportation at less than cost Short sighted because its cost must be paid in the end or transportation will fail and when transportation fails the country cannot prosper.

Much has been said about this problem in Canada and the United States, and much more has been written about it. Various commissions and legislative bodies in both countries have dealt with some phases of it. Taxes in various forms and often considered oppressive have been put upon it and yet it seems to remain a vital problem unsolved.

The solution of the problem seems to depend upon first segregating highway transportation from local cartage and then determining what measure of control can be and should be excercised over this newer and as yet generally uncontrolled agency of transportation which to some extent enters into competition with other strictly controlled and vitally necessary agencies of transportation.

Package Freight Carried by Trucks

Of great eventual importance with motor truck development of terminal facilities is the growing substitution of the truck for local trains carrying package freight. At least ten railroads are shipping goods in unbroken cars to a zone station. Motor trucks are then used to carry the l. c. l. freight to intervening stations at which the heavy freight train used to stop to discharge even a single small package.

Suggest New Licenses

As a first necessary step toward solution it is suggested that each province and state should issue two forms of motor license—readily distinguishable from each other—a local license and a general license. Only one license would be required on any one vehicle.

In order that the local license might permit a reasonably wide range of uncontrolled movement in both town and country it could be made good for use not only in its home municipality or township but also in each immediately adjoining municipality or township.

On the card or certificate which is already issued with each vehicle license could be entered at time of issue the names of municipalities or townships in which the vehicle was licensed to operate.

Anyone applying for that kind of a local license would get it with no more difficulty than occurs now and its use within its authorized local area would not be subject to centralized control. Movement beyond its authorized local area could be easily policed by requiring the operator upon request to show his card or certificate.

The general license would be good not only within but also beyond the local zone. Anyone applying for a general license for private use would get it with no more difficulty than occurs now.

Anyone applying for a general license for a transportation activity for hire—passenger or freight—would be referred to the state or provincial commission authorized to control public utilities. That commission would determine whether the proposed service was necessary or desirable, and if so, would determine the ability of the applicant to furnish the proposed service. If the application were approved a condition of issuing the license to conduct a transportation business would be that the applicant file with the commission his schedule of proposed rates and service, which schedule the applicant would agree to apply without discrimination, and not to depart from it without notice to and permission of the commission.

Machinery in Existence

The governmental machinery to administer some such plan, both local and general, is already in existence. Its adoption would tend to stabilize highway transportation, give responsible operators a square deal, improve transportation and reduce its total cost by eliminating the below cost secret rate and rebate, and by putting all shippers on an equal basis for equal service just as they are in regard to railway transportation.

If transportation is a national asset, further growth of existing conditions may impair that asset. It is in the personal interest of all business men to protect any asset they have in transportation.

Having accomplished the necessary segregation of local vehicles from highway transport the problem of taxation can be approached more intelligently and the proceeds of such taxes can be more equitably allocated to the streets and roads used by the vehicles which produce the taxes.

Possession of More Than One Car New Trend in Industry

Possession of more than one automobile by 2,700,000 families in the United States marks a trend which has been developing during the past seven years. Eighteen per cent. of all families owning cars now have more than one. In 1920 only 12 families in every thousand had two or more cars.

Factors in this growing movement are the steadily increasing buying power of the country, the comparatively low price of the modern car and the increasing uses for two cars in the family, according to Mr. Stephens. The trend, especially among the more wealthy class, for a car for a specific purpose has resulted in manufacturers designing and building cars to fill these demands. The sport roadster or phaeton is built for golf and the open air, the coupe for the use of the business man or woman, the sedan as the family car, and the chauffeur driven town car for the theatre.

Tractors Haul Supplies for Mining Camps

To look after the needs of the hundreds of prospectors going to the Red Lake Gold fields, it is necessary to see that food and provisions are also sent. This illustration shows a big load of life's necessities being hauled over Lac Seul from Hudson's Bay, by a caterpillar tractor.

LARGE INFLUX OF VISITORS FOLLOWS OPENING OF ROADS

Experience of Past Few Years Shows Highway Expense Justified

One of the most recent examples of the value of good roads in stimulating tourist traffic, is the remarkable increase in the number of tourists to Yoho National Park in British Columbia following the completion of the first road making the reserve accessible to the motorists. In 1925 visitors to this park numbered 6,000; in 1926 when the road was opened from Lake Louise to Field, B. C., 30,000 people entered the park, the majority of whom were motorists. And there is reason to believe that as this road and its extension through to Golden becomes more widely known, tourist traffic over it will increase.

With the advent of the motor car the development of Canada's National Parks has been definitely linked with the construction of park motor roads. As scenic areas are made accessible to motorists an increase in tourist traffic results with a corresponding increase in tourist revenue. Increased revenue due to highway construction comes from two sources—the greater number of motorists attracted to the national parks through increased number of roads and routes opened to travel, and the longer visits made by motorists and others on account of the greater road mileage and greater area of scenic attractions made easily accessible.

First Large Highway Justified

The first highway construction on a really large scale in the National Parks was the building of the Banff-Windermere through Rocky Mountains and Kootenay National Parks. The heavy tourist traffic which swept over the 104-mile motor way justified the policy of road building, for the first summer the road was in use 4,534 automobiles traveled this road.

In 1926, three years after the opening, automobile traffic had increased to 13,667 cars bringing in some 60,000 visitors. Another highway giving access to Banff is the Banff-Calgary highway, and this too has shown a remarkable increase in traffic in the same period of time. In 1923 motors to the number of 11,493 pased through the Kananaskis gate, the eastern entrance to Rocky Mountains park on this road; in 1926 there were 36,901 cars counted. Thus it can be seen that a large percentage of tourists to the parks served by the highways were attracted by the good roads.

This year the Kicking Horse Trail has been completed by the extension of the existing road from Field to Golden, and formal opening takes place the latter part of June. The road swings west from the Banff-Lake Louise highway a short distance from Lake Louise, winds up and over the Great Divide, drops down through Yoho Park to Field, and following the Kicking Horse Canyon, reaches the western boundary of the park, where it merges into the provincial highway built east from Golden. From Golden the road follows the Columbia valley connecting with the Banff-Windermere at Firlands post office. From the interest expressed so far there is no doubt that this will be a valuable aid in attracting tourists to a region hitherto inaccessible to motorists.

Experience has shown that tourist traffic in the National Park is dependent on two things: scenic areas and the accessibility of such areas. The foregoing serves to emphasize the importance of good roads as a means of access, and emphasizes particularly the fact that a large influx of tourists follows the construction of adequate highways.

B.C. CONSIDERS HIGHWAYS WORTH OVER $48,000,000

Province Includes Road Values in Financial Statement

The last financial statement of the province of British Columbia included among assets an item of $48,111,300 for highways. This is the first time that any of the Canadian provinces have taken the value of their highways into consideration in compiling an estimate of the assets of the province. While millions of dollars have been spent on construction of roads and their maintenance, for some unknown reason, valuing highways has never taken place.

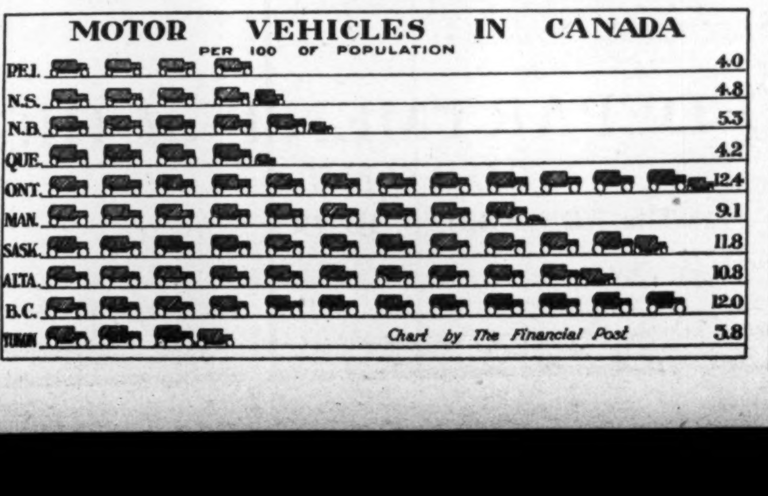
Early last year, the provincial department of highways set out to make a comprehensive survey of the road system with a view to estimating their value. The province was divided into nine areas, each again being subdivided into districts. It was found that district number one, on Vancouver Island, while not having the greatest mileage, had the most valuable highways. There is not much spread in expenditures between the different districts (centre of district quoted), as will be seen from the following table:

District No. 1	$9,058,750
Vancouver Island	9,058,750
New Westminster	3,884,750
Kamloops	7,183,750
Okanagan	5,960,550
Revelstoke	3,630,000
Cranbrook	4,100,500
Prince Rupert	4,077,000
ort George	5,026,000
Cariboo	5,190,000
Total	$48,111,300

To date the majority of roads are constructed only of ordinary earth. Gravel is also used extensively, while macadam, paved and bituminous coat highways are represented in proportion. Except for Vancouver Island and the district surrounding Vancouver, the highways are of ordinary construction or colonization roads. This has been due, aside from the cost of the more expensive types of roadway, to the expense necessary in grading and clearing right of way. The following composite table shows the mileage and total value of the various types of highways:

Type	Mileage	Value
Ordinary earth	12,810	$25,078,000
Gravel	4,000	18,471,000
Macadam	44.5	400,500
Paved	133.81	3,604,550
Bituminous coal	74.3	557,250
Total	17,062.61	$48,111,300

The lead given by British Columbia in this connection, will be in all likelihood be followed by other provinces. Although the revenue received from highways cannot be computed in dollars and cents, there is no doubt but that the province benefits through tourist traffic and greater contentment of its people. Therefore, they should be considered as an asset and not a liability and their inclusion in the financial statement of the province justified.



Motor Transportation Ushers in New Era in Country's Economic Life

Rural and Urban Interests Are Being Bound Closer Together — Many New Uses Found for Motor Vehicles — Supplement Railway Service

By PROF. W. T. JACKMAN, M.A.,
Department of Political Economy, University of Toronto.

The world of motor transportation is changing rapidly, and all the various aspects of our economic and social life are showing the effects of this new means of transportation. Rural and urban life and interests are being bound together in a way which was not possible formerly; the industrial life of the community has received a new impetus, and the entire fabric of our inter-relations has become woven into a texture every part of which is influenced by the factors which affect every other part. Each phase of our economic life is being bound up more intimately with every other phase, and there has come to be a greater responsiveness of the whole mechanism of business to whatever affects any one branch of business.

The increasing use of the automobile has brought a new interest to travel through the country, and perhaps no greater effects are seen than in connection with agriculture and country life generally. As soon as an improved highway is constructed the land along that highway takes on an increased value, and, of course, in connection with that there is an increased assessment for taxation purposes. This has been evident from the time when the Toronto-Hamilton Highway was opened. Then, too, the ease and frequency with which communication may be secured between the country and the city has made the country a more desirable place in which to live; its former isolation has measurably disappeared, and the country has attracted a larger and larger number of urban residents especially during the summer. Instead of seeing the country from the back door, as has frequently been the case when traveling by railway, people are seeing it from the front door, and the beauty, attractiveness and desirability of country life are being more fully appreciated. It is this which is bringing such a large number of tourists to this country; they desire to see the places of greatest beauty and charm of situation and to spend as much time as possible amidst those haunts which will prove most healthful and invigorating to the physical life and most attractive, changeful and restful to the mind.

Country and City Closer

The interdependency of agriculture and urban enterprise is also becoming clearer. Until recently the prevailing thought among business men was that if anything was wrong with agriculture it should be corrected by those who were engaged in this pursuit. But a closer knowledge of country life on the part of the commercial and industrial classes has shown the latter that for their own welfare they must take an interest in agriculture. The position of the farmer since the war has been unsatisfactory, largely because of the greater deflation of the prices of farm products than of those of industry and trade. Evidently this is a problem which cannot be solved by agriculture alone. Business cannot make progress unless there is a cognate prosperity in agriculture. Anything which will work for the welfare of one interest will work in a broad way for the welfare of all. Business men have been brought into such an intimate contact with rural interests, not only through their business dealings, but also through the more direct means of personal observation and investigation, that they have received a new view as to the need of co-operation of business with agriculture in order to promote the development of both. This new interest of business in agriculture is seen through the activities of the appropriate governmental departments, both Dominion and provincial, and also in the conferences which have taken place in recent years between organized business and the representatives of organized agriculture. In the adjoining country, the Chamber of Commerce of the United States has a body of business men studying the conditions of agriculture with the object of developing a suitable policy upon which improvement may take place.

In industry there is an increasing use of the motor truck, not only for the short-haul distribution of manufactured products, but also to supplement rail haul over longer distances in order to secure a faster service. This is particularly the case where several different plants, widely located, under one control, are mutually dependent upon one another. When once the benefits of this direct and expeditious service have been realized, manufacturers are unwilling to do without it, but, on the contrary, are invariably desirous of extending it in as many directions as possible.

Discarding Unprofitable Lines

But it is in connection with the railway transportation service that we find perhaps the most far-reaching tendencies from the use of the motor vehicle. Railway companies in the United States are taking off unprofitable trains and substituting bus and truck transportation. At the end of 1925 only nine Class 1 railroads were operating buses, whereas at the end of 1926 railway service was being supplemented by bus service on twenty-three lines; and the number of buses in operation had increased from 225 at the end of 1925 to 680 at the end of 1926. In other words, the number of these roads operating buses at the end of 1926 was two and one-half times greater than at the end of 1925, and the number of buses operated by these roads had more than trebled.

We cannot be quite so certain as to the increase in the number of motor trucks in use by the railroads, for in some cases these trucks are operated by the railroad companies directly or by their subsidiaries, and in other cases by private organizations which are closely linked in their interests with the railroads. The number of roads using trucks increased substantially in 1926 over 1925, and a conservative estimate places the number of railroad-operated trucks at the end of 1926 at approximately 100 per cent. over that of the end of 1925. It is significant also that the tendency is for the railways to own the trucks which they operate, rather than to contract for them.

Early Opposition to Trucks

Several years ago there was much opposition on the part of the railroads of the United States to the competition of the motor vehicle operators upon the highways. The basis of this opposition was that the motor vehicles were regarded as setting up unfair competition in having the use of a free highway and being relieved from reasonable taxation. These conditions have been changed recently, and the railways have not been so vehement in their opposition. On the contrary, the railways themselves have taken up the operation of motor trucks and buses with good results. Probably few people realize the extent to which the railroads are now using motor trucks for transporting freight, express and other traffic. The way in which the Pennsylvania and New York Central railroads have integrated their railroad and motor truck services are well known, and have been shown in the columns of the Financial Post (see issue of March 20, 1925). It is not so well known that the highway operations of many other roads approach those of the larger companies in the aggregate.

The action on the part of the railroads in taking off or suspending unprofitable local trains and substituting therefor the motor vehicle is becoming ever more pronounced. The economies which may be secured in this way are commanding increasing attention. For example, the Rutland Railroad, which runs between Montreal and New York, formerly provided for the light traffic of its Chatham division, between Bennington Vt., and Chatham, N.Y., a rail distance of 57.3 miles, by having a passenger coach attached to two local freight trains, one southbound and one northbound, daily. The amount of passenger business on this line had not for many years justified the train service provided by the company. Yet the daily passenger service in each direction had to be continued notwithstanding the decline in passenger travel. In September, 1926, the railroad company was allowed by the Public Service Commissioners of Vermont and New York to substitute bus service and discontinue the railroad passenger service. At the same time the local freight service was put on an alternate day basis. By these changes there was the elimination per day of one local freight train, including one locomotive, two passenger coaches, and the crew of one engine and train. Instead of the passenger cars, two buses are used and each of these makes the round trip (134 miles by road) every week day. The bus fares are computed on the same general basis as rail fares, i.e., 3.6 cents per mile. Although there has been no curtailment of passenger service to the public, the railroad company is saving approximately $1,350 per month on this service. Still more significant results are obtained by the Boston & Maine Railroad Company, which is now operating 61 motor coaches on 24 routes of a total mileage of 678. On its Bristol branch in New Hampshire a line of 13 miles from Franklin, on the main line to Bristol, there were formerly two round trips of steam service a day. In place of these, four round trips of bus service are now operated, and the saving in rail operation for that distance has been at the rate of $24,000 per year. This railroad company has been a leader in the use of motor vehicles, even upon roads which are over rough, hilly country, subject to heavy snowfalls in winter, and where the best snow-fighting equipment had to be used to keep the roads open during the entire winter for regular

(Continued on page 24)

Airplane Blazes Way in Opening New Areas

New Arm of Transportation Proving Valuable in Exploiting Country's Resources — Greater Encouragement Needed for New Service

By ELLWOOD WILSON,
President, Fairchild Aerial Surveys, Ltd.

The question of aerial transport of mail, freight and passengers is probably of more vital importance and interest in the future of Canada than in any other country, except Russia. We have very large areas where mining and perhaps other industries could be carried on, but which would not pay for the building of railroads and in any case their development cannot wait until a railroad could be built.

The aeroplane offers a safe and reasonably cheap means of transportation, with rapidity far superior to that of trains. It may be said, however, that no un-subsidized transport line has as yet made money; all the European services receive government subsidies, and in the United States air mail contracts are being looked to to carry the burden of establishing and operating costs in the hope that freight and passenger services will develop. No line can be started unless there is some assurance that there will be enough travel to pay for operating expenses.

Flying Costs Relatively High

Carefully compiled figures of costs for the United States air mail, including only 15 per cent. interest on the capitalization, show that the cost is $2.14 per mile. Operating costs in Europe, England, the United States and Canada show that actual commercial flying costs about $1.05 per mile, which does not include interest on invested capital, depreciation of buildings or any charge for landing fields or sales expense.

Let us take a typical run between two of the largest centres in Canada, Montreal and Toronto. The total investment required to carry out an all-year service, one plane each way, per day, would be $550,000, which would be at the rate of about $1,700 per mile of capitalization; it would also require 1,800 pounds of pay load for each trip, or ten passengers per trip. Just at present there is no likelihood that the necessary number of people living in Montreal and Toronto, or desiring to travel between these two cities, would be willing to use this means of transportation, involving as it would a fare at least three times the present railway fare, and saving about four hours of day travel, when they can take the sleeper.

This is the difficulty with all of the routes between large centres in Eastern Canada,—Montreal-Toronto, Montreal-Quebec, Montreal-New York and so forth. The case might be somewhat different between Montreal and Halifax, where there would be a saving of fifteen hours. Again, the case of express and bank mail might be different, as the saving in time would mean a considerable saving of money, and the insurance rates on valuable cargo would be materially reduced.

Aerial Transport Successful

Aerial transport services are being carried on with success in Northern Quebec and Ontario. Here, there is no rail transport and the saving in time and the greatly added comfort make people willing to pay rates which yield a small profit on the operation. As yet very few people in Canada are willing to fly, and it will be some years before the general public comes to recognize the many great advantages of this mode of travel.

As far as safety is concerned, aerial transport is safer than any other means of travel, and the number of accidents per number of miles travelled is less than those of the railroads. Travelling in aeroplanes is infinitely safer than travel by automobile.

Operating the routes in the wilder parts of Canada has shown that, given reliable service, people will quickly come to appreciate its advantages, and will have soon lost their fear and really enjoyed air travel very much.

Another draw-back to the establishment of air transport services,—that is the total lack of proper landing fields. This is a matter which would be taken up at once by cities and towns throughout Canada, as otherwise the establishment of air lines will be very much hampered. The policy of the government is also a very important consideration, for if the government undertakes to carry the mails itself, there will be no possibility for any commercial transport at a profit.

AUTOMOBILE OUTPUT HIGHER

April's automobile production was 24,611 cars or a gain of 6 per cent. over the March output of 23,250 cars and of 14 per cent. over that of April, 1926. It was the second largest output in the history of the industry, the record still being that of May, 1926, when 24,934 cars were turned out in Canadian plants. For the four months ending April 30, production totaled 81,892 cars, valued at $50,900,322. This marked a gain of 5 per cent. in quantity and 1 per cent. in sales value ofer the 78,193 cars valued at $46,923,587 produced during the first four months of 1926.

Motor Car Operations Cost 10c a Mile

Operating Costs of 11 typical cars as reported by Iowa State College
CENTS PER MILE, WITH PERCENTAGES

	Light Four Touring		Big Four Touring		Medium Six A Touring		Medium Six B Roadster		Medium Six C Roadster	
	Cents Per Mile	Per Cent	Cents per Mile	Per Cent	Cents Per Mile	Per Cent	Cents Per Mile	Per Cent	Cents per Mile	Per Cent
Gasoline	1.40	19.6	1.70	12.9	1.78	19.3	1.80	15.0	1.74	20.5
Oil	.26	.37	.45	3.4	.13	1.4	.38	3.1	.34	4.0
Tires	.96	13.7	1.00	7.6	.85	9.2	1.20	10.0	1.23	14.5
Maintenance	.85	12.1	.72	5.5	.93	10.1	1.37	11.4	.96	11.3
Depreciation	1.62	23.1	4.00	30.4	3.10	33.5	4.40	36.6	3.07	36.1
Interest	1.08	15.3	2.13	16.2	.99	10.7	.51	4.3	.52	6.1
Insurance	.17	.24	.17	1.3	.50	5.4	.97	8.2	.05	.6
Garage	.38	.54	1.80	13.7	.65	7.0	1.00	8.3	.32	3.6
License	.33	.47	1.18	9.0	.31	3.4	.38	3.1	.26	3.1
Totals	7.05	100.0	13.15	100.0	9.24	100.0	12.01	100.0	8.49	100.0

	Light Four Coupe		Light Four Sedan		Heavy Four Sedan		Light Six Coach		Composite Car	
	Cents Per Mile	Per Cent	Cents per Mile	Per Cent	Cents Per Mile	Per Cent	Cents Per Mile	Per. Cent	Cents per Mile	Per Cent
Gasoline	1.61	16.7	1.47	153	1.66	14.5	1.29	11.0	1.61	15.7
Oil	.35	3.6	.36	3.7	.38	3.3	.18	1.5	.31	3.0
Tires	.55	5.7	.90	9.4	1.00	8.8	1.11	9.5	.98	.95
Maintenance	1.56	16.2	1.88	19.5	1.44	12 6	1.43	12.2	1.24	12.1
Depreciation	2.44	25.3	2.93	30.4	4.50	39 5	2.40	20.4	3.16	30.8
Interest	1.77	18.3	.70	7.3	.88	7.7	2.62	22.3	1.24	12.1
Insurance	.15	1.6	.22	2.3	.10	.9	.50	4.3	.31	3.0
Garage	1.05	10.9	.73	7.6	1.04	9.1	.50	4 3	.83	8.1
License	.27	2.7	.44	4.5	.41	3.6	1.70	14.5	.59	5.7
Totals	9.65	100.0	9.63	100.0	11.41	100.0	11.73	100.0	10.27	100.0

TRACTOR VALUABLE IN REMOVING SNOW

Ontario Finds Machines Useful in Keeping Highways Clear

The problem of snow removal on the main highways has been less of a problem this year than before. Provincial governments have tackled the problem effectively and in Ontario and Quebec, particularly, many extra miles of highway have been kept open. Although in Ontario the Department of Highways has done splendid work, some credit is due to those bus operators who have purchased snow removal machinery for their own use.

Apart from the bus operators there has been a pronounced trend of public thought toward the subject of winter uses of passenger and commercial automobiles and a growing realization of the economic benefits deriving from snow removal on main and feeder highways. Ontario has already initiated some interesting snow-removal work though, it is hoped, on a much more modest scale than will apply next year. The work began last year and met with success. This year the Department of Highways is planning to keep open the Kingston road from Gananoque to Toronto. Both the Dundas and Toronto-Hamilton highways between Toronto and Hamilton are marked for snow removal and Yonge Street is to be kept clear north to Bradford. Hamilton to St. Catharines, Hamilton to Jarvis and Dunnville. Hamilton to Kitchener and Hamilton to Guelph and Guelph to Kitchener are all indicated for snow removal. Hamilton is, in fact, the centre of snow-removal activities. The Dundas Highway from Hamilton through Paris, Brantford, Woodstock, Ingersoll to London is also being kept clear and the roads from London to Delaware and London to St. Thomas are to be kept open. Chatham to Windsor and Leamington to Windsor are also to be looked after in respect of snow removal.

At present the Ontario Department of Highways allots one piece of snow-removal equipment to every forty miles of highway. This equipment is required to go into service as soon as snow begins to fall. Figures relative to cost of this work are not yet available but it is believed that it has not proved a costly undertaking. Engineers are of the opinion costs can be brought to a very low level through the use of economical tractor power, Fordsons of the full crawler type particularly being admirably suited to handle practically any condition of snowfall. Approved snowplate equipment for use with these small tractors has proved very satisfactory and entails but a low outlay. In fact, in the opinion of many transport engineers the cost of equipment would be inconsiderable, particularly in view of the fact that in many districts there are sufficient small tractors owned by farmers which could be pressed into service for this work, thus yielding the farmer a profitable use for his power equipment in the winter and giving him readier and easier access to nearby centres.

Developing Natural Resources

The motor truck is proving a basic necessity in the development of natural resources. In countries which have railroad lines it is extending the range of territory around the rail heads. In other regions it is opening up the country in sections which cannot economically afford railroad construction, but can build roads adequate for truck service.

BUS CONCEDED PLACE IN URBAN TRANSPORTATION

Generally Recognized as Necessary for Economic Service

Five years ago the street railways were the biggest opponents of bus transportation in Canada, according to Arthur Lowe, in Bus and Truck Transport in Canada. To-day more than fifteen per cent. of all the buses in Canada are owned by street railways. This contrast, is fairly indicative of the change of feeling which has taken place in recent years by the electric railways toward the motor bus. That the change should have come in so short a time is a tribute to the business judgment of electric railway executives.

The change is the more remarkable because in nearly every case street railway companies and commissions possessed franchises which were, in effect, absolute monopolies within certain defined limits. Had they continued antagonistic to the bus indefinitely it would have been understandable, and no one could have questioned their wisdom. From the point of view of the street railway executive the bus was a competing mode of transportation which might conceivably endanger the street railway investment. On the face of it support for the bus meant damage to the railway. In spite of this logical deduction electrical transportation concerns have entered the bus field and they deserve commendation for their courage and foresight.

Protagonists of the bus should realize that it cannot supplant the electric railway entirely. The bus alone, for example, cannot cope with peak loads in the congested districts of large cities. They can be used, however, as the extension of car lines in extending service into new territories where the traffic does not justify the necessary capital expenditure for rails and power.

Buses Act as Feeders

Buses can be used, too, as feeders to the electric lines. Urban population in Canada is increasing much faster than that of the country as a whole. In all cities expansion is taking place; suburbs are growing up and new homes are being built. City transportation facilities must be provided to serve them. The high cost of construction and maintenance of street railways makes it impossible to extend them into such outlying districts in the majority of cases. The solution is provided by the bus.

But the bus has other uses in urban transportation besides that of feeder. It can be used with equal effect in the congested districts as an aid to the packed street cars. Already some systems are duplicated with the motor bus providing express service to the city outskirts and the trolleys providing point-to-point service. Curious though it seems, this duplication of systems may be done profitably because an increased number of short trip passengers can be carried on the street cars with a consequent increase in gross revenue. Passengers, too, are quite prepared to pay a higher fare on the buses for speedier and more luxurious service. On one system running both cars and buses it was found that although the electric line carried six times as many passengers as the buses, the revenue derived from the buses was slightly more than half the revenue derived from the trolleys.

Although the bus is so extensively used by Canadian street railways its usefulness in helping to take care of peak loads has not been fully exploited. In cities where the systems are municipally owned this is due in large measure to the attitude of the general public. The man in the street, far more than the railway executive, is reluctant to see any change which may imperil the investment in track and rolling stock. He knows that if the street car system is not maintained on a paying basis the deficiency will be met by increased taxation.

Actually there is no need for alarm, because buses, by increasing revenue, increase the value of the investment. If five buses worth $10,000 each can give adequate service in a district served by a non-paying line representing an investment of two million dollars, it is poor policy to continue piling up losses. Better by far scrap the non-paying line and invest $50,000 in buses which will show a profit. Capital investment, after all, can only rightly be considered such if it is revenue producing or if it has revenue producing possibilities.

Serve Outlying Districts

Although buses are not being used to cope with peak load problems to any extent by municipally owned railways they are being used to provide service for districts out of the street car zones. De Luxe services, too, are being provided, notably by the Toronto Transportation Commission. The de luxe service is provided for the car owner who will avail himself of high class bus service in preference to driving his own car. Of course, it is essential that a higher fare be obtained commensurate with the service rendered.

People want to ride on rubber and they are willing to pay a higher rate for that privilege. Street railway companies reluctant to fill a public want should remember that if they do not capitalize the demand the independent operator will.

Ontario's Good Roads Lead to Her Varied Playgrounds

Thousands of Miles of Improved Highways give holiday tours added thrills and pleasures

ONTARIO welcomes the motor tourist. She has a greater variety of attractions than almost any other spot on the continent. In this Province are scenic delights, land and water sports, refreshing and invigorating air, and all to be reached by your motor car.

If you like the restful countryside, with its rolling lands and panoramas from every hilltop, see Ontario's farming country from the highways.

If you desire to travel to little known and quiet lakes, with their rocks and pines — places where the fish make your reel spin — then come to Ontario.

If you want golf, tennis, sailing, swimming or any other form of sport, hundreds of Ontario resorts will satisfy your need.

Right in the centre of the Great Lakes system, Ontario landscape is unrivalled for its variety and attractiveness. Monotony is left out of motor travel in this Province.

Use Ontario's Highways

Ontario has thousands of miles of improved roads. Provincial highways, smooth and wide, with easy grades and curves, stretch across the older part of the Province everywhere. From these the county roads branch out, the whole embracing a vast network of first class communication.

Ontario people, who are paying the cost and upkeep, should use these roads. See other places in the Province besides your own neighborhood.

To the tourists from the other provinces, or from other countries, the freedom of these highways is extended. The people of Ontario want to get acquainted with you. They trust you will appreciate the glories of the countryside, of the lakes, of the forest, and at the same time enjoy an invigorating vacation.

Keep Within the Rules of the Road

In order that your motor trips, whether long or short, may be thoroughly enjoyable, the Department of Highways asks your co-operation in making the highways safe. Ontario's speed limit is 35 miles an hour. Traffic patrols will prosecute those who drive recklessly. Slow down at curves and intersections and near schools and villages. Obey all warning signs.

Watch your brakes and see that your headlights do not glare. Be courteous. Have patience. Exercise common sense in driving. Don't insist rigidly upon your road rights if others are inconvenienced or endangered.

Information on road conditions will be supplied by the Department of Public Highways upon request. An official road map will be sent postpaid for 50 cents.

Drive within the rules of the road. Tour Ontario comfortably and enjoyably.

ONTARIO DEPARTMENT *of* HIGHWAYS
TORONTO
The HON. GEO. S. HENRY, *Minister*

MOTOR TRANSPORT PROVES VALUABLE IN MANY FIELDS

Growth of Good Highways Widens Scope of Activity

TRUCKS SAVE MONEY

Milk, Cattle, Express, Lumber and Merchandise Handled at Low Cost Within Short Radius

By **EDWARD G. WILMER**,
President, Dodge Bros., Inc.

The automobile was a thrilling but an unreliable novelty twenty-five years ago; a fairly extravagant plaything for those who had the money to indulge in it. At that time there was much skepticism and little appreciation of the extent to which it might be made into a practical necessity. With the gradual development of greater dependability there remained the fear that high cost would perhaps permanently deprive the masses of its use as a pleasure conveyance; but the application of brain and brawn and money and enthusiasm, coupled with an appetite on the part of the public to have it, brought about larger production, lower cost and a growingly general use of the passenger car. The first trucks, large, cumbersome. unweildly, costly, so costly that the old horsedrawn wagon seemed to be scarcely threatened, were followed by intensive development, greater dependability, mass production, lower cost, and the conversion of the public to the idea that trucking was good business and more effective and ultimately cheaper that other means of transport.

In all branches of trade the motor car is being used as a time-saving element—by the salesman, the building contractor, the road inspector, the retail store manager—in fact I might go on and on because there is scarcely an institution or an individual who does not habitually make some use of the motor car whether he owns his car or not. One need only observe the multitude of cars regularly parked about each industrial establishment to realize that workmen are to-day going to and from their work in their own motor cars or those of some fellow worker.

You will remember the farmer's ire of twenty years ago, his aversion to the fellow whose honking, noisy automobile upset the equilibrium of our farmers' horses, be they thoroughbreds or nags. You will remember the farmer whose shotgun was frequently aimed at rapidly disappearing tires whose ruggedness was not quite equal to buckshot. That was in the days of not so long ago. To-day the horse has largely given way to the motor truck and automobile. The farm which is located ten or fifteen miles away from the railroad is now quite accessible, in fact to countless farmers the railroad has become quite dispensable, for farm produce formerly hauled for hours by horse and wagon, then delivered to a railroad and then slowly moved on to market, is now driven by truck from farm to market over an operating radius frequently mounting to hundreds of miles. Large shippers of milk are using well insulated tank vehicles, which permit of haulages for long distances with a minimum change of temperature. Spoilages occasioned by the old methods have been largely eliminated.

Use of Motors Saves Money

Perishable farm produce such as fruits and vegetables are moved from farm to city with dispatch, with a minimum of handling, and reach the consumer far more quickly and in better condition than was ever possible in the days gone by.

Even live stock which was once driven from farm to market and in more recent times hauled by train, is now being transported quickly and effectively by motor truck. The old shrinkage in weight, and the old losses incident to delay and inability to realize high prices when they are high have been minimized by wideawake farmers to a very appreciable degree.

Motor vehicles have been put in service by the lumber industry, in the development and operation of mines, by the building industry, in road construction, in chain store operation, in the production of oil, by the meat packers, the textile industries, by the manufacturers of iron and steel, and so on and on apparently without limit or exception. In appreciation of the special needs of many industries for specially constructed vehicles or containers, manufacturers of trucks are producing specially designed vehicles to meet the particular need involved.

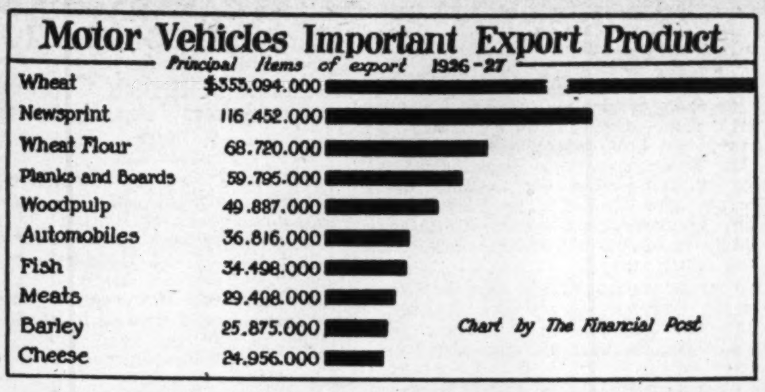
Special Uses of Trucks

So, highways are filled with easily identified vehicles which have been constructed to meet the special requirements of butcher, baker and candlestick maker, the ice man, the coal man, the oil man. In every community, aggressive operators have sprung up, who serve that community with truck transportation, both urban and inter-urban. These concerns maintain fleets large and small, and cater to the needs of merchants and individuals whose volume may not permit of the ownership or operation of their own trucks, and who by patronizing such service enjoy most of the effectiveness that they could obtain through the use of their own vehicles. The efficiency of such merchant trucking operations has in many cases reached a point that encourages their use on a growing scale by large organizations who prefer to pass the responsibility for haulage on to others who make a business of it. The growth and importance of this merchant trucking volume is impressive and significant.

Truck and Rail Service Allied

The activity of motor transport, to be sure, is taking volume away from the railroad, but it is also obvious that the growth of industry and the increase in volume of business in this country over the last ten years has been so phenomenally great, that we find railroads generally handling the biggest volumes of freight in their history and most of them are quite prosperous. It must also follow that in the face of this growth the railroads of this country would to-day be utterly unable to alone handle the transportation burden which they now share with motor transport. It is quite sensible to conclude that each form of transportation has its proper function and its proper place; that each is a proper supplement to the other. Long hauls in large bulk will no doubt continue to be more effectively hauled by rail. Short hauls and less than carload shipments will continue to be growingly absorbed by the motor vehicle. The public will no doubt continue to ride on trains or in motor cars according to its preference. Long journeys will no doubt continue to be made in greater comfort by rail, while interurban and pleasure touring will go to the motor.

The motorization of our country over twenty-five years, while seemingly rapid, has in fact been gradual. Certainly it must have been logical because no great transition of this sort, participated in as it has been by the masses, can proceed except in logical sequence as the result of invention, development, mass appeal, and the sort of industry and attending prosperity which in turn creates the ability to buy.



In the last decade, exports of iautomobiles, parts and accessories have rapidly grown in importance, largely due to the advantages offered under the British preferential tariff agreements. During the fixed year 1927, motor vehicles ranked seventh among Canadian export products.

CITY MOTOR BUS NOW MACHINE OF GREAT LUXURY

Public Want Comfort and Are Willing to Pay for It

More luxury in buses doing city service indicates a popular trend away from the street car type of bus. The street car type model is undoubtedly economical and best suited for the work it has to do but if luxuriousness is going to attract additional revenue it is good business to give it. Of course, additional revenue must be earned in order to offset the cost of luxury. The scale of living is rising and with it comes an increasing tendency and willingness to spend money. This tendency is found in bus riders and if individual riders are willing to pay more for their luxury or if more luxurious buses will attract more riders at the old rate, it is the farseeing operator who will furnish the luxury.

Any tendency on the part of the public which will serve to increase the spread between the revenue and cost curves should be taken advantage of by the manufacturer in supplying luxurious buses and by the operator in putting them at the service of the public.

There is a growing desire on the part of operators to look for reliability and economy in bus performance rather than freak performance, but in this respect there still remains a tendency among some operators to expect private automobile performance from heavy buses. This is something, of course, which the manufacturers have not yet attained and it rests with them to carry on an intensive campaign among operators to gage bus performance as something entirely divorced from automobile performance.

Rates Are Increased

Perhaps one of the most significant phases of the industry during the past year has been the increasing interest of traction companies and steam railroads in bus operation. It is a matter of statistical record that during the past year railroads have added considerably to their holdings and interests in the bus field. There has been a gradual conversion to a different way of looking at the baby of the transportation family. Due to the large increase in privately-owned automobiles, traffic on fixed transportation lines has fallen off. Transportation interests are beginning to see in the bus a remedy.

Railroad men are business men. They are beginning to find that a bus tends to increase earnings and it is this discernment that has put the railroad men no longer on the defensive against bus operation. Losses on unprofitable fixed lines are being checked and in many cases brought up to a paying basis through co-ordinated bus routes. As bus operation becomes more a part of the country's transportation system, it is unquestionably true that railroads will adopt the idea more fully, making it an important flexible link in their rails systems.

The peak of demand for bus transportation has by no means been reached. Fixed transit lines are just beginning to get into the bus transportation field. The limits to which rail companies may go in this respect are wide. Undoubtedly many lines have been started by independent operators and traction companies where population or poor judgment of conditions eventually caused them to pass out of the picture. Scattered failures should not be taken as a criterion of the bus business. Rail companies are fast coming to the conclusion that buses are not profitable in feeder service alone, and that the place for them is in major operations as well.

Bus Industry Sound

On the whole, the bus industry is in a stable and satisfactory position. There is a constant demand for more powerful buses; not excessive in size but sufficiently powerful to do more work with greater ease than is being done with present day models. This year has witnessed in this respect the production of new six-cylinder buses and gas-electric drive buses, both of which have a distinct and positively assured place in transportation.

It is quite possible that the coming year will see the evolution of a new type of bus, not radically different from those we now have, but rather a combination of those things which experience and operation have taught to be the best for the work to be done.

ADOPT BUS FOR ECONOMY

When the bus is definitely adopted by every important steam railroad in the country and is used, within its economic and mechanical limits, to replace all unprofitable and uneconomical steam railway passenger service, tremendous savings will be effected by the carriers. Since the prosperity of railroads is closely linked with the prosperity of the country as a whole, this cannot but have a very favorable effect on business as a whole, and particularly upon the communities dependent upon the various railroads for transportation.

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Dense Motor Traffic Affecting Business in Large Urban Centres

Authorities Will Have to Give Serious Attention to Relieve Congestion — Regulations Now in Effect Not Working Satisfactorily

By WALTER C. WHITE,
President, The White Company.

Traffic congestion in the cities of the United States and Canada is now rapidly approaching the point where a dollar-and-cents calculation may be made of its actual cost. For some years it has been the consensus of opinion that it represents a loss to business as a whole, and there is also a well-defined belief that in some manner this transmits itself to the individual taxpayer. The custom heretofore, however, has been to take this burden for granted, and consequently no one is able to say just where it falls, and how.

This lack of information probably explains why most measures for traffic relief have failed to accomplish their purpose. Possibly, if the long-discussed saturation point in the motor car field had arrived by this time, we might go on indefinitely with this method, improving conditions a little here and a little there, but never getting to the root of them. But the number of automobile sales and registrations continues to increase, and congestion in many centres approaches the point of traffic stagnation. In the effort to avert this calamity, new measures of relief are attempted which clear the streets by preventing the free concentration of buyers.

This is the process which in my opinion will soon compel city authorities to make studies comparable in scope with those undertaken by the progressive highway departments on rural roads. In other words, we are reaching the point where the individual business man located in a centre of congestion may say just how many customers he has lost by reason of traffic control measures based on guesswork. When hundreds of storekeepers have that information they will be in position to demand reductions in their tax assessments to equalize this loss of earning power, and our cities will be forced to choose between valuation cuts or foreclosures on the one hand, and a real study of traffic congestion on the other.

Many Questions to Answer

The questions to which cities and transportation agencies must find the answers are: What is the certain point at which congestion ceases to be beneficial and becomes a burden? How much it is possible to reduce traffic without damage to the commercial life of the community? What is the unit of transportation best suited to the new conditions? How shall we regulate traffic competition in order to assure the maximum of public convenience?

I do not pretend to know the answers to these questions or to the myriad others they suggest, but I do not think it will be difficult to find them. As I see it, the problem is merely one of determining demand. Heretofore we have been studying capacity with very little reference to this primary factor. To a large extent we have also made the mistake of assuming that traffic demand is a constant, when as a matter of fact it is influenced all the time by everything from bargain sales to new building. That is another reason why our city surface transportation systems have broken down. They are designed and built rigidly to a constant, and they can handle this very well up to a certain point and under fixed conditions. But when these constants shift there is no elasticity capable of meeting the new conditions. One part of the system runs below its full load while another slows up under an overload, to the point of vanishing returns.

A study of demand will include not only a calculation of the number of persons to be moved into or out of a given district in a given time, but also how they want to be moved. City experts could get a great deal of information on this second point—which is essential—by traffic counts to determine the number of passengers now being carried by the various forms of transportation. It will be said by many that this would be a waste of effort, the general opinion being that trolley cars carry the bulk of the mass surface movement of humanity in cities. But if we are to take this for granted indefinitely there is no problem except that of limiting all other forms of transportation to give the trolley a clear right of way.

Business Depends Upon Motor Car

The trouble with this plan—which has been tried to greater or less extent in nearly every big city—is that it loses sight of the universal dependence of business on the motor car, bus and truck. This dependence includes not only the direct use of passenger cars by salesmen and other employees and the trucks for the delivery of merchandise, but also the use made of passenger cars by customers.

It is easy enough to understand why the trolley should be regarded as the ideal unit for mass surface transportation when it can get through, but when it cannot get through a new situation arises. The capacity of the car to hold passengers is undiminished, but the earning power of the vehicle is definitely limited by the time factor. I do not believe, for example, that it would be possible to carry nearly as many passengers on Fifth Avenue, New York Citv. over a double-track trolley line as the number now given transportation on the buses. With the rest of the traffic what it is, the trolleys would be hopelessly blocked.

The difficulty has been heretofore that comparisons have been based on stationary vehicles, and the factors of time and motion have been ignored. It is said with truth that one trolley seating sixty passengers takes up no more room than two motor cars seating a maximum total of ten and a minimum of two. More people may be packed into a line of trolleys a block long than in two lines of private automobiles. But this likens the transportation system to an auditorium and proves exactly nothing. The fact is that no end is served by seating capacity, considered alone. The controlling factor is the rate and continuity of motion.

Trolley Cars Less Active

A count of passengers going by a given point in a given time might show in many instances that more people are actually being carried now in private automobiles than in trolley cars during certain hours of the day. In any event the classification would open the minds of traffic experts to a complete view of the problem. Today most of them concern themselves only with the extent to which trolley lines are blocked by automobiles and motor trucks. A study of how motor vehicles are blocked by trolleys might throw an entirely new light on the situation, and lead the way to an intelligent plan for traffic control. It might show that the trolley blocked by its own limitations—one held up while another loads and discharges—definitely reduces street capacity in terms of time and passengers.

I have purposely said very little about the motor bus because it has become a factor in mass transportation only within the last few years, and because less is known about its possibilities than about any other transportation unit. In other words, the conditions I have described have been brought about almost solely by the passenger car. These conditions would exist with very little modification if there were no buses, and they would be worse if there were no motor trucks, because the trucks did more than anything else to displace horse-drawn vehicles. Yet these facts are almost always overlooked in discussions of traffic congestion. The motor car is regarded as something which has taken the "Cream of the Traffic" from the trolley and the railroads. The new traffic it has developed in regions beyond the reach of rails is ignored, and, what is more important, the influence of this new market on general business conditions is completely overlooked.

Created New Field

It is evident that the motor car has attained its growth not by taking passengers from the steam and electric railway lines, but by creating a wholly new field of its own. Whatever losses in passenger travel may have been sustained by the older systems represent but a negligible proportion in this field. It may be true that if it were not for the motor car the steam and electric lines would be doing a capacity business. But we may go a step beyond this and say that without the automobile the older systems would be swamped. They could not possibly have met the demand for expansion, unless all industry had been limited to the heights of pre-motor days.

On the basis of passenger miles the private automobile is the most popular form of transportation within the reach of vast numbers of people. If this popularity has brought us up to the limit of street capacity the only way to remedy the situation is to find a transportation unit having as many points of resemblance to the private car as it is possible to develop in a public carrier.

It goes without saying that the motor bus is the nearest thing to this ideal now in existence. Manufacturers and operators of motor buses have more to learn about this unit than any other. One reason for this is its relative newness, but an even more important one is the fact that buses have been getting larger and larger in an attempt to equal the seating capacity of the trolley car, when smaller units, copied after the operating features of private automobiles, might have proved more efficient and more popular with the commuters.

Suburban Traffic Growing

It will be said that rural and interurban conditions cannot be used as a guide in the cities, but this is mere conjecture. The city problem is only a concentration of the rural problem. Owners use their motor cars because it has been impossible for the electric lines to keep pace with the rapid growth of suburban home building. If bus lines are established they may be expected to have the same effect as in the Ohio inter-city operation; that is, to reduce the number of private cars going into the city. This, of course will depend on the radius of distribution the bus is able to achieve. A unit seating twelve to fifteen passengers, one man operated, will be able to penetrate territory on the distribution end that would be economically beyond the reach of a thirty-passenger bus or a sixty-passenger trolley car.

It is obvious also that such a unit would be better able to cope with traffic conditions. It could be built, as a matter of fact, to keep pace safely with private car traffic. If its effect were to keep out of the congestion three or four private cars, the resulting street clearance might enable the city electric lines to operate once more at maximum efficiency. I would not hold out too much hope of this, however, because experience has shown, as I have stated, that bus lines create new traffic. The purpose of any transportation system is not to make it easier for another line, but to furnish service.

Before we can expect this development, however, it will be necessary for the transportation agencies or city officials to make the studies I have outlined. It will be necessary also for operators of motor buses—and this includes many of the big city traction companies—to get at the real costs of bus operation. Figures purporting to show these costs are published from time to time, but most of them are meaningless. For example, there is no standard of depreciation. Nobody knew whether the motor bus would be anything more than a fad when it was first introduced, and it is probable that those who charged it off at the rate of 25 per cent. a year were not overly cautious. Recently I was talking to one of our customers who still follows this practice on his trucks, although he still has in service units bought in 1912. Thousands of motor buses are in service to-day after five years and more of daily running.

Costs Differ

It is not only in the depreciation charge, however, that bus costs have been distorted. Operators have put into city service units never designed for the special conditions of congested streets. In many cities an attempt is being made to operate double-deck buses on routes that would be much more quickly and economically served by small, single-deck types. The operation is also directed from the point of view of the steam or electric railway man who had no competitor. Before the motor car he could schedule trains and trolleys to suit himself. The people traveled over the rails or they didn't travel. But to-day, when the service is curtailed because the traffic is light, the service grows lighter.

The opposite of this situation—the growth of travel as the headway is reduced—has been discovered by every substantial bus operator in the country. So far as city operation is concerned this is another argument for the small unit. It would pick up thousands of the short riders who have abandoned the trolley because it cannot get through. With the bus it would be possible also to furnish express service through centres of congestion.

TRANS-CANADA ROAD NEARING COMPLETION

Last Link in British Columbia System Finally Selected

Overcoming serious engineering difficulties, officials of the public works department of British Columbia have finally selected the route for the last link of the trans-provincial highway. Half a dozen possible routes, carefully investigated, have been dropped, and instead it has been decided to run the road along the bank of the Thompson river at a low level, instead of taking it back into the hills, as was proposed at one time.

This scheme involves considerable difficulty, but it will be far cheaper and more satisfactory than a high-level route. The road is to be taken to the very edge of the river and beside the Canadian Pacific railway on the south bank. At a point about half way between Lytton and Spences Bridge, where engineers faced their most serious obstacles, the highway will be built only ten feet from the railway tracks, but above them.

In co-operation with the railway company the public works department will cut into a hillside of gravel which towers above the railway. A retaining wall will be built to hold the gravel back from the tracks, and on top of this the road will be laid. If any further gravel rolls down from the hillside it can be easily carried away on flat cars operating on a spur for the purpose, or thrown by steam shovel across the tracks and down the river bank. In this way no difficulty in maintaining the road is anticipated.

Railway Pays Part Cost

The railway company will pay part of the cost of making the necessary gravel cut, and in this way the expense of the project to the province will be lessened. Altogether the new scheme of location will be far less expensive than a route in the hills above the river, and, on account of the easy grade thus obtainable, will be more satisfactory to motorists.

While engineers are arranging details of this scheme in the middle of the final highway link, contractors are pushing ahead construction from Spences Bridge and Lytton, in order to complete the whole road by next winter. In the spring of 1928 it will form part of the Cariboo road system, eliminating the present detour from Lytton through the Marble Canyon into the interior. East of Spences Bridge an extensive programme of improvements, including a new bridge at Savona, is being carried out to improve the route into Kamloops, while the road into the Nicola valley from Spences Bridge is being relocated with two bridges over the Nicola River to avoid slides along the present route.

AERIAL BASE FOR MONTREAL

The Canadian Metropol of Montreal is moving actively in aviation matters and the city council is inspecting sites for an aerial base for the landing of airplanes and dirigibles by which mail or passengers are to be carried.

Commercial Use Greater

Notable increase in the use of passenger and freight motor vehicles during the past twelve months was reported by all countries. It was particularly noteworthy that there is an increasing appreciation of the possibilities of the automobile on ranches, sugar plantations, by professional men, by building contractors, by suburban home owners and in other fields where its time saving value is a creator of measurable economic service.

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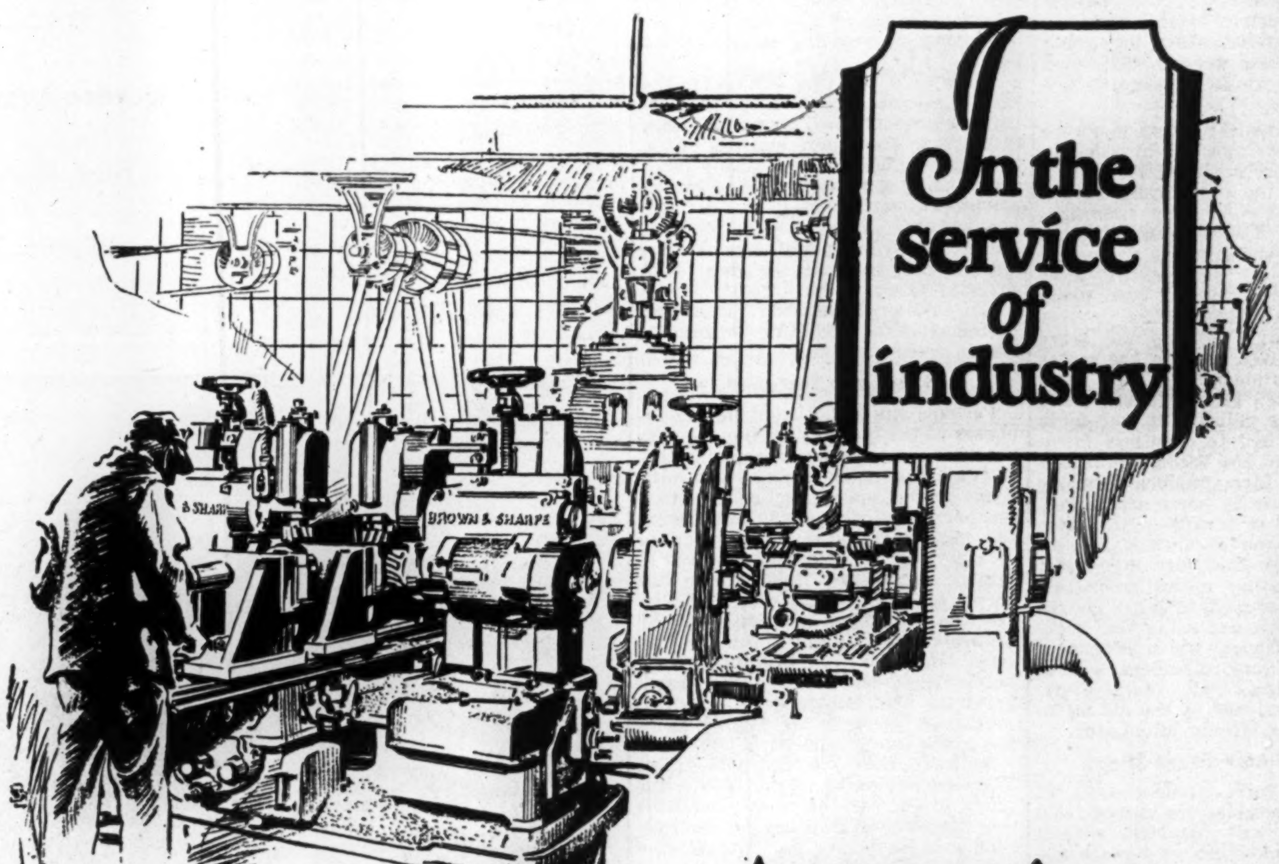
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We have a 250-page catalogue devoted exclusively to automotive equipment. In addition to this our 800-page general catalogue gives some idea of the comprehensiveness of our service, for we supply equipment to practically every class of industry in the Dominion.

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Motor transport is the Topsy of modern industry—for like Topsy it has "just growed." In an age when the first man to do anything is certain of an eight column headline, and a vaudeville contract, no man has claimed the honor of being the first to drive a truck. The distinction may still be annexed by any man of middle age with a flair for originality.

Fatherless the child may be, but it is lusty withal. A quarter of a century ago the number of trucks in Canada could have been counted on the fingers of both hands. To-day there are nearly a hundred thousand of them in daily operation and the number increases by approximately fifteen thousand a year. In Ontario alone there are over forty thousand commercial vehicles using the highways, and it is estimated conservatively that they move two hundred thousand tons of freight a day.

Canada has long boasted, with considerable justification of its incomparable railways. Ontario may fairly boast of having the best road transport service on the continent. There is not a town in the province with a population of over two thousand which is not served by a motor freight line.

Growth in Last Few Years

Many of these lines have developed in a remarkable way and the development has taken place very largely during the past five years. Curiously enough the growth has been much greater in the smaller centres than in the big cities. One truck owner, operating from a town of less than twenty thousand population, has built up a business within five years, which employs seventy trucks and fifty trailers. Every day—and every night for that matter—his trucks cover 4,000 miles, and move over four hundred tons of freight. He started in business with a single truck which was heavily mortgaged to the manufacturers. To-day his equipment is valued at close upon half a million dollars.

The bulk of the freight handled by this operator consists of loads which nobody found profitable to handle before. Trucks cover a wide territory, and they pick up small lots of produce for market. By a careful system of routing and transshipping he is able to make up full loads for the long runs. As a result, producers are able to market their stuff and the price they receive is not absorbed by freight charges.

Competition Keen

Naturally competition is keen between the truck operators and the railroads; but it is doubtful if the railways have lost as much business through truck operation as is popularly supposed. Although there are many road transport lines operating between cities served by the railroads there are still more bringing in freight from the country districts to the railroad terminals for reshipment.

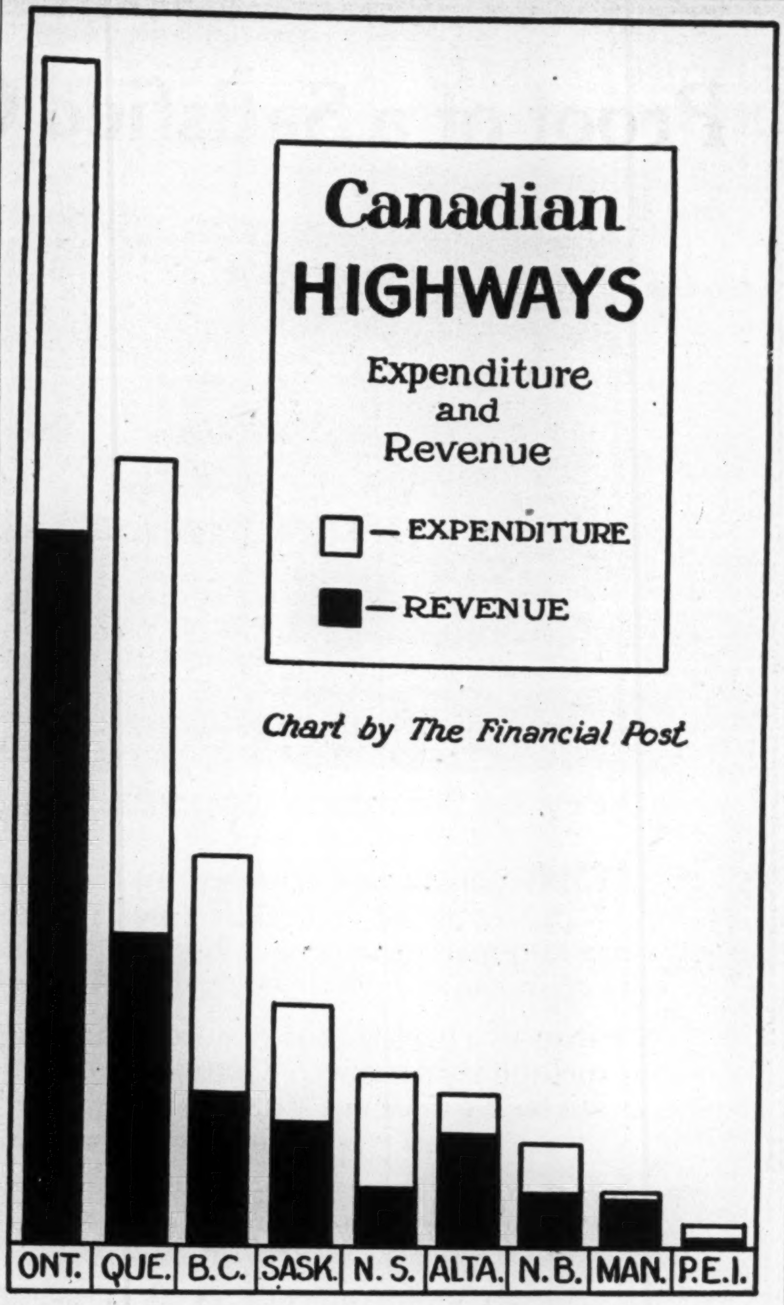
It is not generally realized that the truck has certain definite limits of operation beyond which it is unprofitable to go. Although with certain loads the truck is an ideal unit for short hauls, it cannot be operated economically beyond a distance of one hundred miles. Indeed there are many truck owners who would put the operating radius at sixty miles. In view of this fact, which is recognized by all responsible operators, it will be seen that the volume of business for which trucks can compete is comparatively small when compared with the total volume of business handled by the railroads. And although trucks may have cut into the short haul business they have certainly contributed to the long haul traffic of the railroads.

"Mushroom" Operators

Fly-by-night operators owe their existence to the loose methods originally used by truck operators to finance sales. Until recently it was possible for any man with a hundred dollars cash and a winning disposition to purchase a new truck valued at anything from two to five thousand dollars. Naturally the truck driver, discontented with his lot, borrowed a hundred dollars and started up in business for himself. It was usually possible for him to continue for six months without any further contributions to the philanthropic manufacturer.

Such an operator asked no more from his business than a weekly wage. Frequently he had no intention of paying anything on the truck save the original hundred dollars. He made no provision for depreciation, and as a result he could handle freight at a third of the cost of his competitors laboring under the handicap of solvency.

There are still fly-by-night operators. They are still taking business from legitimate concerns, but their days are numbered. During the last session of the Ontario Legislature a bill was passed to regulate the use of public commercial vehicles. The bill gives the Department of Highways considerable power, and it is believed this power will be used to curb the activities of irresponsible concerns. In any case the truck manufacturers have grown wise. They no longer sell trucks for a hundred dollars down. They now demand as a first payment twenty-five per cent. of the total cost.



Licenses and Gasoline Tax Provide Funds for Highway Maintenance

Quebec, Maritimes and British Columbia Expenditures on Good Roads Greater Than Income — Ontario and Prairie Provinces Report Surpluses

No one will deny that highways built in recent years have proved a boon to a country as a whole. Rural districts have been brought closer to the urban centres. From a financial standpoint they have been invaluable. Not only have they widened ranges of distribution of commodities, but they have also allowed of a freer choice of place and time of marketing. They have opened new districts for settlement and have a stimulating effect on values of land and property everywhere. Moreover, they have reduced the cost of motor vehicle, by enlarging the scope of their use which in turn has resulted in greater demand.

Their value in bringing about better social conditions cannot be estimated in dollars and cents, but there is nevertheless an intrinsic worth which is recognized by everyone. Good roads have eliminated the peculiarities and social weaknesses created by isolation; have helped to overcome racial differences; have brought in millions of dollars through the movement of tourist traffic from the United States; and have provided employment for thousands and indirectly to many more.

Millions Spent on Highway

Naturally the development of Canada's highway system has not been brought about with the expenditure of large sums of money. While good roads existed between the large urban centres and in the immediate vicinity, the general expansion programme was not undertaken until about 1916. This was largely brought about by the rapid increase in the use of automobiles and later on by the use of motor trucks for short-haul delivery purposes. So imperative did the demand for highways become that the province in a great many instances were not able to finance their construction through ordinary means of revenue.

At this juncture the Federal Government stepped in and under the Highways Act of 1919 agreed to defray forty per cent of the cost of construction on highway programmes submitted to and approved by the Dominion authorities. As a result several thousand miles of new roads were completed and many new areas opened up to the motor car.

Upkeep Costs Important

In the last few years, the problem confronting the provincial authorities has not been the means of finding money for the construction of further roadways, but in financing maintenance or upkeep costs. For a time this question was not given much thought, but now it is more important than building new highways. Consequently the different governments have had too long about to find ways and means of securing additional revenue necessary to take care of this work. Motor licenses until about two years ago provided the provincial source of revenue for the upkeep of the highways. This was sufficient for the time being, but as outlays grew heavier, it was found necessary to secure more revenue and the gasoline tax was brought into effect by at least six of the nine provinces. The tax ranges from two to three cents a gallon.

It is estimateed that nearly $16,000,000 is spent by the provinces on the construction or maintenance of highways. Most of this is spent in Quebec, Ontario and British Columbia. The other provinces spend large sums, but there is not the need for heavy outlays as in the aforementioned provinces.

Expenditures Well Controlled

Recent statistics show that the Maritime provinces are spending more money on highways than they receive in revenue. During 1925, the latest year for which complete statistics are available, the three Atlantic provinces spent $2,021,518, while they receive $1,138,146 in revenue directly or indirectly from motor cars. In other words, it cost the Maritime Provinces during the year under review $2 to provide satisfactory highways, in return for which they received $1.

The situation in Ontario and Quebec was different. The former reports a revenue from gasoline tax and licenses of $7,568,089, while the cost of upkeep and construction of new highways totalled only $4,831,328. Thus Ontario automobile users provide the Government with a surplus of nearly $3,000,000 in return for the use of its highways. On the other hand, Quebec spent nearly $2,000,000 more than it received in revenue, receipts being placed at $3,145,108 and expenditures at $5,014,207. Most of this money has been spent on colonization roads.

The Western Provinces as a whole are spending on highways nearly as much as they are receiving in revenue from licenses and gasoline tax. Individually, however, British Columbia is the only province to show an excess of expenditures over revenues. Alberta with a revenue in 1925 of $1,251,474, had an outlay of only $422,374; Saskatcheman distributed $1,189,974 of a total income of $1,296,594; and Manitoba $137,786 out of $540,171.

Knowledge of Subsoil Needed for Subgrade Paved Highways

One of the important highway research problems recently undertaken is that of scientific study of the soil underlying the road. Highway engineers have been severely handicapped by the absence of information regarding the various types of road soils and their behavior under all weather conditions. Due to lack of such knowledge pavements cannot be designed to fit subgrade conditions, with the result that roads often break down from the causes not now fully understood. A number of agencies in the United States have embarked on extensive soil surveys with the object of developing standard methods for identifying and testing road soils and determining methods for improving their quality to make them fit for use as road foundations.

More Canadian-Built Chryslers delivered in One Month of 1927 than in the Entire Year of 1924

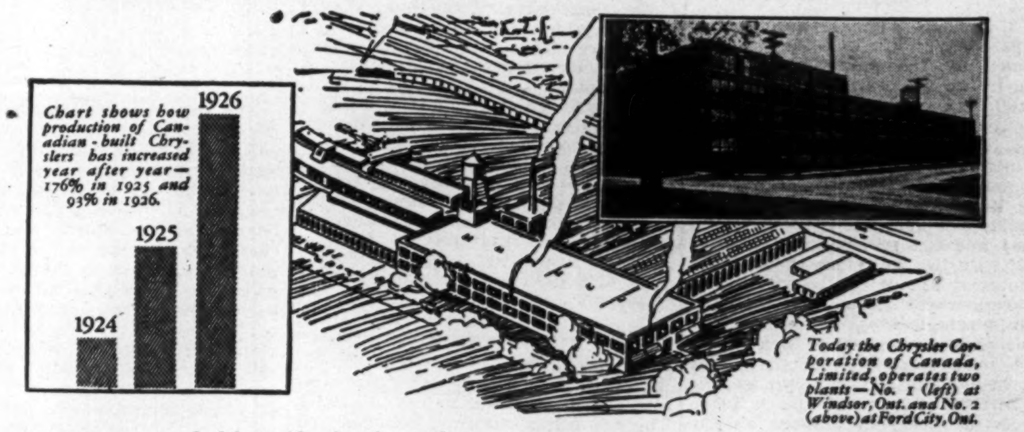


Chart shows how production of Canadian-built Chryslers has increased year after year—176% in 1925 and 93% in 1926.
1924
1925
1926

Today the Chrysler Corporation of Canada, Limited, operates two plants—No. 1 (left) at Windsor, Ont. and No. 2 (above) at Ford City, Ont.

SWIFT—remarkably swift—has been the advancement of the Canadian-built Chrysler in the esteem of Canadians.

In three years, people have shown such an eagerness for Chrysler ownership that Chrysler growth is registered in a sharply ascending line, while older concerns of large production have steadily given way.

Every year has witnessed an important increase in the volume of Chrysler production—176 per cent increase in 1925; 93 per cent increase in 1926. *In March, 1927, there were actually more Chryslers produced in Canada than during the entire year of 1924 when Chrysler upset all precedents.*

This increase is so tremendous and so impressive—so clearly an expression of public choice—so directly due to the discernment of the average Canadian on finer appearance, performance and value—that there is no need to draw a moral.

In order to meet Canadian requirements even more exactly and to keep pace with this constantly increasing demand, the Chrysler Corporation of Canada took over in January, 1927, an additional plant—securing 300% increased facilities and realizing the long cherished dream of having Chryslers built largely of Canadian materials in Canadian factories by Canadian workers.

In this expansion which contributes to the expansion of many and various industries throughout the country, Chrysler is proud to have a hand—proud and appreciative of the privilege to assist in creating a greater and more prosperous Canada.

It is Chrysler's determination to continue deserving the wide-spread confidence which Canadians have already evinced for Chrysler cars—to apply so rigidly the Chrysler principle of Standardized Quality that each succeeding year will find Chryslers still higher and higher in the esteem of the Canadian public.

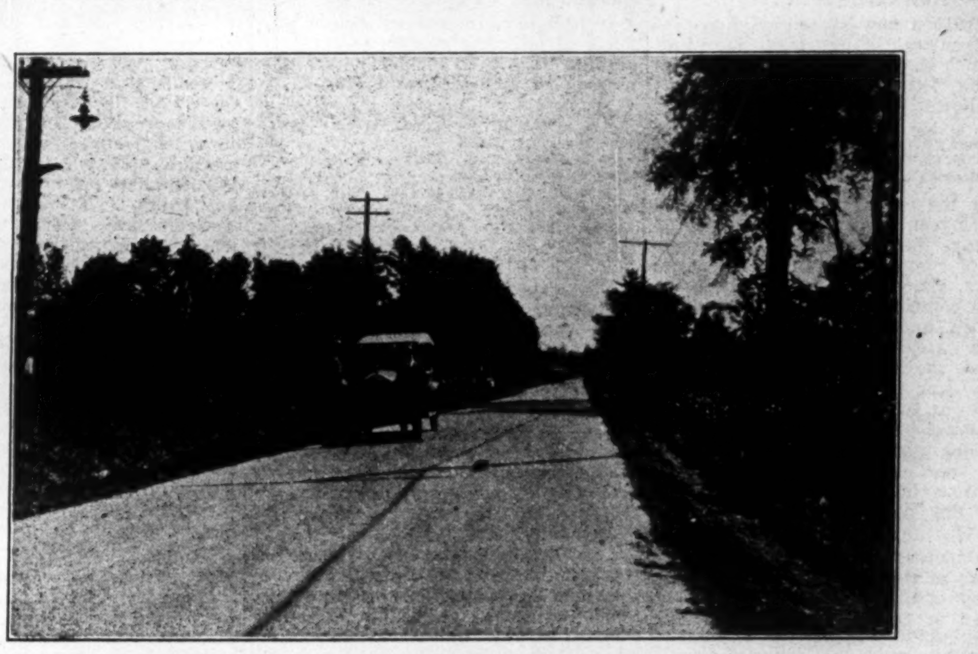
CHRYSLER CORPORATION OF CANADA, LIMITED, WINDSOR, ONT.
WALTER P. CHRYSLER, *Chairman of the Board*

CHRYSLER

Chrysler "50"	Chrysler "60"	Chrysler "70"	Chrysler Imperial "80"
SIX BODY STYLES	SIX BODY STYLES	NINE BODY STYLES	ELEVEN BODY STYLES
$1045 to $1220	$1470 to $1770	$2010 to $2590	$3635 to $5225
50 miles and more per hour	*60 miles plus—with ease*	*70 miles plus*	*80 miles plus—92 horsepower*

All prices f. o. b. Windsor, Ontario, (freight only to be added), including all taxes and complete equipment

THE CANADIAN-BUILT CHRYSLER FOR CANADIANS



Three-inch "Standardite" Pavement on the Hull and Aylmer Road, Province of Quebec.

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Have long life; are easily cleaned; are pleasing to the eye. They support the heaviest traffic without becoming rutted or displaced. They are inexpensive.

"Standardite Pavements" are entirely different in construction from any other type of asphalt pavement as yet developed, as evidenced by their being granted a Canadian patent.

To Date over Half a Million Square Yards of "Standardite" have been laid, every yard of which is in perfect condition and giving perfect satisfaction.

Standardite PAVEMENTS

STANDARD PAVING, LTD.
The Largest and Best Equipped Paving and Road Building Organization in Canada
Head Office—Central Chambers—Ottawa

ONTARIO TAXES INCREASE WITH ROAD EXPANSION

Motor Vehicle Charges Are Added to by Adoption of Gas Tax

In 1903 there were in Ontario only 220 passenger cars and the revenue obtained by the government from them, in the way of license fees, was $710.00; but ten years later, before the outbreak of the war, there were 23,700 passenger cars and the total provincial revenue from motor vehicles was $105,558.95. In 1926 there were 343,992 passenger cars, 39,012 commercial vehicles (trucks and buses) and the revenue was $6,415,713.05. During and since the war the commercial use of the motor vehicle has made rapid strides and with the great development in the use of the motor vehicle the problem of highway development became important. The commercial use of the motor vehicle has further complicated the problem. It has increased in amount as the character of the highway has been improved. It has necessitated restrictions in regard to weight, speed and certain tire requirements, in order to protect the capital invested in the roads, and it has also been reflected in the type of highways and bridges constructed.

At the present time there are approximately 52,000 miles of road in Ontario, of which about 2,000 miles are provincial highways, 8,000 miles are country roads and 42,000 miles are township roads. In the last seven years $180,000,000 was spent on the highways, of which $60,000,000 was charged to the capital account of the province. The cost of upkeep and the interest charges on this investment are considerable. In the fiscal year ending Oct. 31, 1926, the total expenditure on provincial highways and county and township roads was $16,175,000, and of this amount $9,137,000 was contributed by the provincial government. During the past few years the policy of the Department of Highways has been to increase the amount of provincial assistance, with the object of securing a general improvement of the network of roads.

Need for Funds

The need of funds with which to carry on the program of highway improvement has required an extension of taxation for this purpose. In the first Motor Vehicle Act of 1903, the only taxation was a registration fee of $2.00 per car. In 1904 provision was made that the fee should be fixed by the Lieutenant Governor in Council on the advice of the Provincial Secretary and this has continued until the present. The amount of the license tax is decided by the Department of Highways in accordance with its expenditure on the roads.

New Charges in 1915

In 1915 a new system of registration fees was inaugurated, according to which the fees were graduated according to the horse power of the car, as follows:

25 h.p. or less	$ 6.00
More than 25 h.p. and up to 35 h.p.	10.00
More than 35 h.p. and up to 50 h.p.	20.00
More than 50 h.p.	25.00

For the registration of motor vehicles driven by electricity stored in the cars themselves, with the exception of commercial vehicles or motor trucks, the fee was $5.00; while for every commercial vehicle used solely as such, and every motor truck having a carrying capacity of two tons or less, the fee was $5.00 per car. For those over two tons the charge was $3.00 per ton or fraction thereof. It was considered that the heavier vehicle did more damage to the roads and, therefore, should pay a higher fee. For the registration of a motorcycle the charge was $3.00.

In the following year, 1916, the fees were increased over the whole scale. It was at this time that the administration of the Motor Vehicles Act was vested in the Department of Highways, and this made the adjustment of fees according to the funds needed to carry on road development much easier. The above-noted fees for ordinary passenger cars were increased to $10.00, $15.00, $25.00, and $30.00 respectively. The fee for the electric-driven cars, except commercial cars or motor trucks, was raised to $10.00. The fee for commercial vehicles and motor trucks of two tons and under was increased to $10.00 per car, while those of more than two tons were charged $5.00 per ton or fraction thereof. This upward revision of the schedule of fees was the result of greater study of the wear and tear of motor vehicle traffic on the roads. It was recognized that heavy, high-powered cars traveling at fast speeds caused much more damage than the lighter cars at moderate speeds. For this reason, the fee was increased more than in proportion to the increase in horse power. These fees remained in force until 1919.

WHERE MOTOR VEHICLE LEADS

There are millions upon millions of people waiting for railroads that they will never have unless the motor truck and motor bus open the door for the large capital that railroad building must have. Throughout the earth there are enormous territories capable of the agricultural development that builds the foundation of civilized living and growth; countries that are densely populated and dismally poor, where nothing is so cheap as human labor; countries that lie empty under the sun because if men attempted to inhabit them, lack of transportation would prevent their effort from carrying them beyond the hardships of the lonely pioneer.

Motor Trucks Damaged Roads

The increased use of heavy motor trucks caused much damage to the highways. In order to discourage the use of trucks of such weight as to cause excessive damage to the roads and to make them bear their proper share of taxation, the fees for trucks were increased in 1919. The schedule of fees adopted at this time for the combined weight and carrying capacity of the trucks was as follows:

2 tons or less, 10.00 per car.
More than 2 tons and not more than 8 tons, $5.00 per ton, or fraction thereof.
More than 8 tons and not more than 10 tons, $7.50 per ton, or fraction thereof.
More than 10 tons, $10.00 per ton, or fraction thereof.

The permit would not be issued for a commercial vehicle or motor truck having a combined weight and carrying capacity in excess of 12 tons until there was filed in the Department of Highways by the owner of the vehicle a properly certified copy of a permit as provided by section 4 of the Load of Vehicles Act., issued by each municipal corporation or other authority having jurisdiction over the highways upon which the vehicle was to be operated. This schedule was unchanged during 1920.

In 1921 a further classification was made of ordinary passenger cars according to the horsepower and the number of cylinders, as follows:

	4 cyl.	6 cyl.	8-12 cyl.
25 h.p. or less	$13.00	$15.00	$20.00
More than 25 h.p. and up to 35 h.p.	15.00	20.00	25.00
More than 35 h.p. and up to 50 h.p.	20.00	30.00	35.00
More than 50 h.p.	30.00	35.00	40.00

(This schedule has remained unchanged until the present year, when an all-round reduction of $5.00 was made for passenger cars.)

The registration fee for electric vehicles was increased to $15.00. The only change in commercial vehicle fees was an increase of $3.00 per car for those of 2 tons or less and an increase to $6.00 per ton for those of more than 2 tons and not more than 8 tons. At this time motor buses were brought under the classification of commercial vehicles and their weight-carrying capacity was determined by multiplying the seating capacity by 150 pounds. Trailers having a weight of one ton or less were charged a fee of $2.00, those of one to two tons were charged $5.00, and those of more than two tons were charged $3 per ton or fraction thereof.

With the exception of an additional $1 added for markers in 1923, no further change was made in the above fees until 1925. In that year the truck and trailer fees were increased. A distinction was made in trucks between those with pneumatic and those with solid tires, owing to the fact that the latter cause greater injury to the roads due to their pounding effect. The schedule arranged on this basis was as follows:

	Pneumatic tires	Solid tires
Less than 2 tons	$ 16.00	$ 18.00
2 tons to 3 tons	24.00	27.00
3 " " 4 "	36.00	40.00
4 " " 5 "	45.00	50.00
5 " " 6 "	60.00	66.00
6 " " 7 "	70.00	77.00
7 " " 8 "	80.00	88.00
8 " " 9 "	99.00	117.00
9 " " 10 "	110.00	130.00
10 " " 11 "	132.00	154.00
11 " " 12 "	144.00	168.00

The fees remained unchanged during 1926, except that the trailer fees, which are not given, were increased slightly to range from $3.00 for a one-ton trailer up to $60.00 for 10-ton trailers. At this time there was also a change in the motor bus taxation; these vehicles which previously had paid, in addition to their license fee, a tax of one-eighth of a cent. per passenger per mile according to their seating capacity whether the seats were fully occupied or not, now had this tax reduced to what was considered more equitable, namely one-tenth of a cent per passenger per mile. The tendency in motor vehicle taxation has been to secure the most equitable system possible within the general view held that those who use the roads should pay for their maintenance. It is not our purpose here to consider the justice of this plan, which is open to question, nor to discuss the principle underlying this system of taxation, namely, that the big car should pay a much higher fee than the small car because the big car does so much more damage to the highways. To grade a car as large or small on the present method of determining horsepower still leaves something to be desired in the way of equity.

Gasoline Tax Applied

In 1925 the gasoline tax was instituted by the government, the levy being 3 cents a gallon to be collected by the distributor or retailer for the government. This is regarded by many as the most equitable of all the taxes contributed by motor vehicle owners. It is, besides, the only form of taxation by which the government receives any direct revenue from foreign tourists for the use of our roads. That it is a productive tax is evident from the fact that for the fiscal year ending October 31st, 1926, the yield was $3,376,690, and because of its productivity the Department of Highways was able to make the recent reduction of $5.00 in the license fee. The combined revenue from the gasoline tax and licenses for the last fiscal year was $10,419,741.

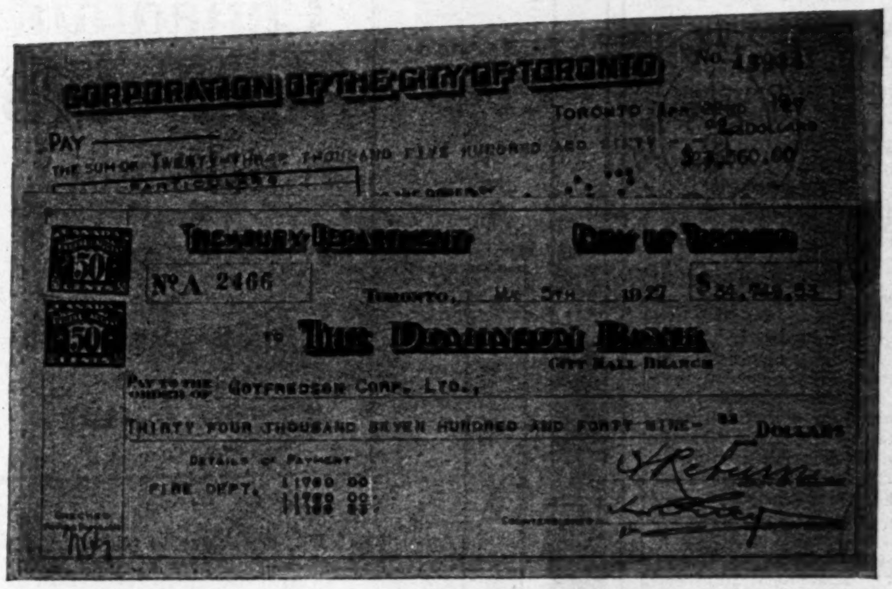
Other taxes levied on motor vehicle owners or drivers by the province are those license fees required of paid drivers, garage owners, and second-hand dealers. Since 1908 paid drivers have been required to pay an initial fee of $2.00 and $1.00 for each renewal. Since 1919 a tax of $10.00 has been required of all persons engaged in buying, selling and repairing motor vehicles, but if only a repair business and service station is conducted the fee is $5.00. In the 1926 session of the legislature a bill was passed providing for the granting of personal licenses for all drivers, but the date upon which this is to become effective has not been determined. In any event it has been decided to charge merely a nominal fee sufficient to meet the expenses in this connection. These additional licenses help to increase to an appreciable extent the total amount of revenue from motor vehicle owners.

Some complaints are made of the heavy taxation on motor vehicles in Ontario. In reality, the taxes in Ontario are lighter than those in the United States and in some of our other provinces. The average motor license in Ontario is $14.50, while in Quebec it is $22.00. Besides, in Quebec there is a driver's license fee of $5.00.

Bricks Make Good Roads

It has been demonstrated that paving brick 2½ inches in thickness is satisfactory for heavy traffic and that 2-inch brick is adequate for light traffic. As these sizes replace brick of four inches and three inches formerly used, it is evident that the application of this knowledge will mean immense savings annually in road construction.

Proof of a Satisfied Customer



CORPORATION OF THE CITY OF TORONTO
PAY
THE SUM OF
TORONTO
TREASURY DEPARTMENT CITY OF TORONTO
Nº A 2466
TORONTO, 1927
TO THE DOMINION BANK
CITY HALL BRANCH
PAY TO THE ORDER OF GOTFREDSON CORP. LTD.,
THIRTY FOUR THOUSAND SEVEN HUNDRED AND FORTY NINE DOLLARS
DETAILS OF PAYMENT
FIRE DEPT.

Facsimile of checks received in payment in full, less customary 10 per cent. hold back, for five Gotfredson Units which were without exception accepted as delivered.

THE satisfaction obtained by the City of Toronto, as proven above, from Gotfredson fire fighting apparatus, has lead many Canadian cities and towns to become interested in and to investigate modern fire fighting equipment.

Exhaustive twelve hour non-stop pumping tests and a hard gruelling road test were Gotfredson qualities which enabled us to secure the above order, the largest order ever placed in Canada for this type of fire fighting apparatus.

Gotfredson Corporation Limited
Canadian Built at Walkerville, Ont.
Factory Branch: 242 Spadina Ave., Toronto
Branches
Montreal Hamilton London Quebec Ottawa Winnipeg Vancouver
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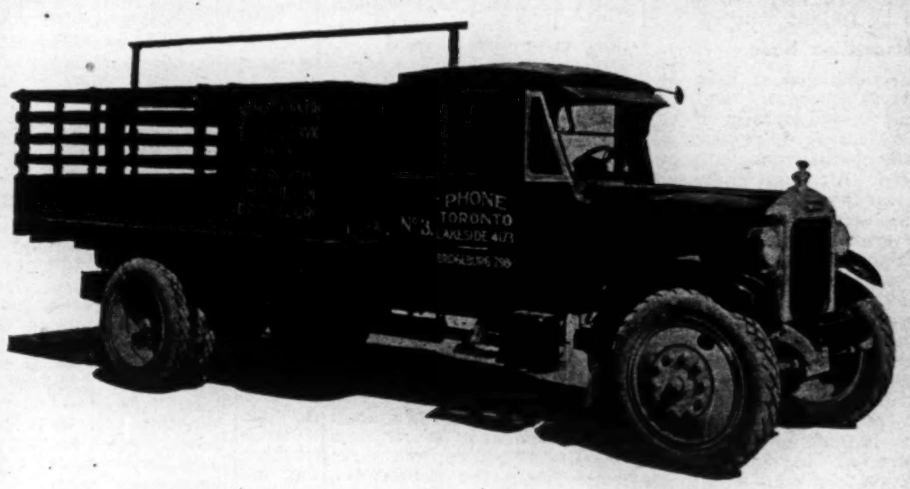
CANADIAN MOTOR TRUCKS FOR CANADIAN INDUSTRY



Gotfredson Model 51-6 2½-3-ton Six Cylinder.

Experienced

users of motor trucks covering long mileages show a tendency to the quality truck powered with six cylinder bus engines (not a passenger car engine) fitted with dual ignition, free floating worm drive rear axle, radius rods, auxiliary springs and optional wheel bases to meet requirements of various types and sizes of bodies.

GOTFREDSON

offers you these features and alone offers the latest in a driver's closed cab fitted with sloping windshield, sun visor and windshield side brackets, permitting the maximum driver observation.

Large GOTFREDSON Fleet Owners:

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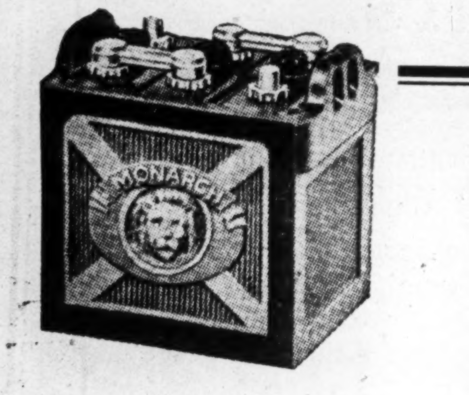

The Monarch owner says
"it never failed me yet"

The Heart of a Truck is
—Its Battery

Every car or truck driver has experienced the annoyance of a "dud battery" — But ask the man who owns a

MONARCH

He drives with the confidence that his battery stands up, ready at all times to do the work.
MONARCH Batteries are standing up under the severest tests — the tests that the drivers of Gotfredson trucks put them to, for they have been chosen by the builders of Gotfredson trucks as
STANDARD EQUIPMENT

When next you install a battery—Let it be a MONARCH

The Monarch Battery Manufacturing Co. Ltd.
Kingston Ontario

MUCH PROGRESS MADE IN UNIFORM HIGHWAY BUILDING

Improved Roads, With a Slight Diversion for Over 4,000 Miles

FEDERAL AID HELPS

Estimate Over 250,000 Miles of Travelable Roads in Country; 54,000 Miles Gravel Type

During the last few years road improvement has been carried on with such activity and with such results as to astonish all users of Canadian highways. Improvements are of the finest construction of their several types, and a great percentage of the main or heavily travelled roads has been built on the highest model. Locations have been carefully selected, old road allowances widened and roadbeds made of generous and uniform proportions, varying from 24 to 30 feet in width, culverts and bridges have been made to conform in width and all constructed of the most durable and substantial materials. Grades have been reduced to a minimum, curves opened and carefully banked to provide for safe travel with the exercise of reasonable care and caution. The standard width of right-of-way for trunk roads in Canada is 86 feet; standard width of grade—30 feet, and hard surface standard—central 20 feet.

Transcontinental Lines

The improved roads in the eastern provinces of Canada form a connected system from Windsor, Ontario, to Halifax and the Sydneys on the Atlantic Coast; and in the western provinces from Winnipeg across the prairie and the Rocky Mountains to the Pacific Coast. Very shortly the connection between these two great areas will be completed. At present, by a slight diversion, traffic from the Atlantic to the Pacific coasts, approximately 4,000 miles, is serviceable and uninterrupted.

Connections With U. S. Routes

In eastern Canada, for example, there is one continuous hard surfaced road extending from Windsor-Detroit easterly along the north shores of Lake Erie and Lake Ontario and the St. Lawrence River passing through London, Hamilton, Toronto, Kingston, Ottawa, Montreal, and Quebec, thence along the south shore of the St. Lawrence River through the St. John Valley, and the north shore of the Bay of Fundy to Halifax and the Sydneys, approximately 1,600 miles, joining United States paved roads at Sault Ste. Marie, Port Huron, Detroit, Buffalo, Niagara Falls, Ogdensburg, Malone, Rouses Point, and lines running south from Montreal and Quebec, Calais-St. Stephen, St. John, Yarmouth, Halifax, and Prince Edward Island.

In the western provinces of Canada a system of main roads is being developed, connecting at the provincial lines, through Manitoba, Saskatchewan, Alberta and British Columbia. Hard surfaced roads of the most substantial type are built over the Rocky Mountains and through the Fraser River Canyon, making through continuous roads joining the prairie with the Pacific Coast, uniting there with the celebrated Pacific Highway extending from Vancouver to Los Angeles. The roadway over the mountain ranges has been carefully laid out by engineers experienced in railway and highway location in such territory. In instances 8 and 10 loops were required to reach the summit. Gradients and widths of roadway are uniform offering but little resistance to traction and all safely protected and guarded on the outer side by protection wall built in the most substantial and durable manner. By branch lines these main roads connect at the international boundary with all principal roads leading into the Western States.

The system of main roads leading out from this trunk line system throughout Canada connects every city and town and reaches into every important agricultural community.

$20,000,000 Federal Aid

On this trunk road system there has been expended about $50,000,000 of which $20,000,000 has been contributed by the Canadian Government in the way of Federal Aid. Approximately $40,000,000 is spent in Canada annually on the improvement and maintenance of roads.

There are about 250,000 miles of travellable roads in Canada; of these about 54,000 miles are gravel and higher type. Approximately 7,000 miles of the highest type have been constructed under the Canada Highways Federal Aid Act.

All these roads are under a system of patrol, securing that the surface is constantly maintained, hard and smooth, up to the standard of construction. There appears to be no good reason why roads and streets should not accommodate traffic without interference or accident, provided suitable uniform regulations are established to govern all users of the highway.

Increase In Travel

In 1922 it is recorded that 514,657 Canadian cars and 996,338 American cars used Canadian roads. Records show that last year (1925) three-quarters of a million Canadian cars and nearly two and a half million United States' cars used Canadian roads, an increase of about 100% in three years.

The quick increase in the use of the motor car and the widely growing knowledge of the wonderful attractiveness of Canada's natural scenery, rich possibilities and health-giving climate, the gradual extension of its efficient highway system place beyond us even a reasonable prediction of the vast extent to which this traffic will gradually develop and the tremendous revenue which will be brought to Canada by the constant expansion of its safe and competent maintenance of our highway systems. apart from the very great benefit which these roads will contribute towards the development of our commercial, agricultural and industrial resources and enterprises. This development in transport has already had the anticipated indirect result of stimulating to a marked degree agricultural production, as well as ordinary trade, in all sections of Canada.

Uniform Signs Desirable

From the very character of the vehicle, the rapidity with which it travels and the long distances covered by the users, municipal boundaries are not noticed, county boundaries and even provincial boundaries are not observed. Consequently, any signs, signals or symbols should be uniform throughout Canada and, in fact, an exceedingly useful task will be accomplished if these can be made internationally or continentally uniform. The figures just quoted indicate the extent to which the traffic of the two countries is intermingled. and the rapidity with which this exchange is likely to develop.

Speed and Temperature Affect Life of Tires

Interesting results have been obtained from investigations on tire wear, tractive resistance of road surfaces and wind resistance on automobiles, each of which is an important economic factor in highway operation. One of the problems that confronts all of us is the life efficiency of tires. Experiments on tires conducted at the State College of Washington show that tire wear increases with the speed of the vehicle and with increase in temperature. Rear tires are found to wear 50 per cent more than front tires. The experiments indicate that under normal conditions of vehicle load and tire inflation, the relative wear of tires on different kinds of roads represent useful mileages of 24,000 on the best road surface to as low as 2,000 on the worst. Considering that the average vehicle travels 6000 miles per year, the annual tire cost per car varies from $30 to more than $300, depending upon the kind of road surface the vehicle uses.

ONTARIO PROPOSES BUS TAX INCREASE

Operators Claim They Are Paying More Than Their Share

Bus operation in Ontario has developed much more slowly than truck operation—largely because of the terrific taxation imposed upon bus operators by the provincial government. There is no other industry on the continent taxed so heavily in such a diversity of ways—with the doubtful exception of the distilleries. The bus operator pays tax on seating capacity; he pays tax on gasoline; he pays for a permit to operate over provincial highways; he pays for a commercial car license—and paradoxically he pays luxury tax.

According to the Minister of Highways the intention of the provincial government is to tax the operators ten per cent. of their gross receipts. According to the operators themselves they pay well over that amount. In addition they pay luxury tax to the federal government and they pay their full quota of municipal taxes.

In the State of California, where taxation is considered unduly high the operators pay five per cent. of their net earnings to the state—a mere fraction of the amount which Ontario operators are called upon to pay.

Permits May Be Revoked

Aside from taxation, however, Ontario bus operators labor under another handicap. Their permits for operation may be revoked by the Department of Highways at a month's notice so that in spite of heavy investments in equipment they have no assurance of permanency. The fact that the Minister has used his powers benevolently in the past does not put the operators entirely at ease.

One result of this peculiar situation is that the bus companies are virtually debarred from selling stock to the public. Many operators could develop business if they could secure capital from the investing public—but they cannot invite subscriptions without being able first to give assurance of continued operation.

In spite of these difficulties, however, the bus operators have progressed surely. At the present time there are 106 lines in operation, linking up over eighty cities and towns in the province. Many municipalities are augmenting their street car service by buses, and some are abandoning their street car equipment entirely in favor of the new mode of transportation.

In bus operation Ontario leads the Dominion. but great development is taking place in British Columbia. where a more temperate climate enables the operators to do a year round business.

TOURIST TRAFFIC EXPECTED TO SET RECORD VOLUME

Revenue from This Source Anticipated at Over $200,000,000

TWO MILLION MOTORS

Good Highways, Splendid Scenery, and Proximity to Own Country, Attract Americans

In a short while the active tourist season in Canada will be opening up and the Dominion is reasonably looking forward to a record body of visiting holidayakers and revenue accruing from this source, basing her expectations on the series of annual increments which have featured the post-war period in this regard. In the years which have elapsed since the armistice, holiday travel to Canada has come to have a steadily increasing national worth and to-day that subtle lure which Canada possesses of drawing vacationists to her playgrounds is comparable in its revenue-producing effect to most major Canadian resources.

It is a matter of some difficulty to arrive at even an approximate estimate of what the tourist traffic is worth to Canada. The United States Department of Commerce estimated last year that holidaymakers from the United States would spend $190,000,000 in Canada, which is generally regarded as having fallen considerably short of the mark. While it is impossible to gauge railroad travel, track is kept of visiting automobiles by the Department of Customs. For broad purposes of consideration, visitors to enter the country in this manner are regarded as constituting approximately one half of the total tourist movement, as far as the United States is concerned, which up to the present has virtually comprised the entire trend. The steadily growing volume of automobile traffic indicates, in fairly accurate manner, the rising popularity of Canada as a holiday ground.

Two Million Cars Visit Canada

According to Government record the number of cars from the United States to visit Canada in 1926 for touring purposes totalled 2,109,737, as compared with 2,429,144 in 1925, a decline of 319,407. At the usual average accepted of four persons to a car, this manner of travel was responsible for bringing into the Dominion a total of 8,478,948 United States citizens, as against 9,716,576 in 1925 The situation in 1926 was, in reality. however, much better than in the previous year. The decline is accounted for by the class of cars visiting Canada for twenty-four hours or less, which dropped from 1,945,035 to 1,549,131. The proportion of visiting cars to remain for the longer periods was substantially greater. In 1926, 556,428 cars remained for periods up to one month as against 481,161 in 1925, and those for periods up to six months numbered 4,177 in 1926 as against 2,948 in the previous year. This made the value of the traffic substantially higher.

For purposes of calculation it is generally estimated that each person visiting the Dominion spends an average of five dollars a day and each remains, in the case of the first group, for the full period of the permit, and in those of the second and third groups for one half of the time of such permits. At this reckoning the first group left $30,982,620 in Canada, a decline from 1925, the second group $167,028,400, and the third group $7,518,600, both substantially higher than in 1925. The total from motor traffic of $205,529,620 compares with $188,555,400 in 1925, and $143,512,520 in 1924, and constitutes a record in Canadian automobile tourist revenue.

The above would indicate that the total accruing from the tourist traffic in Canada is well over the $400,000,000 mark. This places this source of revenue well up among the leading contributors to Canadian wealth, ahead of the forest industries, the mines and the fisheries, and below only agriculture and manufacturing.

With astonishing rapidity, and with less effort expended upon its development than other Canadian industries, Canadian tourist travel has risen to this important position. It benefits, to some extent, every section of the broad Dominion, each having its points of attraction with special appeal. It is a great tribute to the charm of the holiday spots of the Dominion that once it had commenced, traffic should have so grown, and a knowledge of this growth should act as a stimulus to travel from other countries, which is just beginning to open up.

Manufacturers Consolidate

A survey of three hundred and eight different makes of passenger and commercial vehicles that have been sold in some one or more of the different provinces during the past four years shows that to-day over one-half of the whole are no longer on the market, as the firms which formerly made them have failed or have been absorbed by other manufacturers.

HIGHWAY SAFETY ENGINEERS' PROBLEM

Human Factor Largely Responsible for Accidents — Road Defects Small

Of the many problems confronting the highway engineer, the most important, the most complex and the one in which the public is most vitally interested, is that of highway safety. The loss of life and injury and the enormous property damage, have focused the attention of many agencies upon this grave problem of national concern. Highway safety, though primarily an engineering problem, is considerably influenced by the psychological as well as the physical demands upon the driver of a motor vehicle.

A recent statistical study of the distribution of blame among factors involved in highway accidents, has shown that the "human factor" is responsible for approximately 90 per cent of motor vehicle accidents, and that causes attributed directly to defects in the highway or the vehicle are of small relative importance.

Wet Pavements Cause Accidents

Skidding of tires on wet pavements, which is a frequent cause of accidents, has been investigated at Iowa State College. These experiments, using pneumatic tires on various road surface conditions, show that on roads coated with snow or ice or with oil slime or mud, the force required to cause skidding is approximately one-third to one-fourth of that on clean, dry surfaces; while on icy roads that are thawing a little, the coefficient may be as low as one-sixth that on a clean dry surface.

An investigation on the effect of the wind upon a car traveling at various speeds was conducted at the Iowa State College and the results confirm those previously obtained at the Kansas State Agricultural College. In these experiments it was shown that when you drive your car at thirty-five miles an hour you use, on the average, eight horsepower to overcome wind resistance. If you reduce your speed to twenty-five miles an hour, you save five horsepower.

In order to secure concerted action in studying the causes and means of prevention of highway accidents, the Highway Research Board recently appointed a committee to initiate and coordinate research on all phases of this serious problem. This Board, because of its contact on the scientific side with the National Research Council and on the practical side with the highway departments of the several states, is in a strong position to accomplish important work in this field, assuring that the results of scientific research will receive prompt consideration by those who may be able to apply them.

Nearly 40 Per Cent. of Motor Car Sales Now on Cash Basis

Assuming that conditions are approximately the same in Canada as in the United States, not more than 60 per cent. of the cars sold during 1926 were sold on the time payment basis. Many men in the automotive field believe that the proportion of cash sales made in Canada is higher than it is south of the line, but as the exact figures are not available it is impossible to make an accurate comparison. In one case which came to the attention of the writer, an urban distributor of a popular make of car estimated that 68 per cent. of his total sales during 1926 were for cash.

Again it should be kept in mind that, while 64 per cent. of the passenger cars sold last year in the domestic market were bought on the time-payment plan a most substantial cash payment, at the time of purchase, reduced the total volume of indebtedness, or notes to be paid in the following twelve months, very materially.

Re-Possession Figures

Re-possessions in the used car field naturally run higher than in the new car field. During 1926, they approximated 4.02 per cent., this representing a slight gain over the 1925 re-possession figure.

There has been a gradual reduction in the carrying charges which must be borne by the owner in the purchase of new cars during the last four or five years. The present figure of 10 to 10½ per cent. compares favorably with 15 per cent., a few years ago.

Many critics of the time-payment plan are apt to consider too frequently the number of cars so purchased per year, rather than considering as the foremost factor the average amount of instalment paper due at any one period of the year. Too frequently critics think of practically the entire annual output being purchased on the instalment plan, and do not fully consider the fact that after export sales are deducted, only 64 per cent. of the remaining vehicles are sold on the instalment basis. Then, too, it must be remembered that the established rule of one-third in cash very greatly reduces the volume of instalment paper.

Budget for Improvement of Roads Reaches High Figure

Cost of improving the 220,000 miles of earth roads in the opened southern sections of Canada will amount at $1,000 per mile to $220,000,000. There are, however, in these portions of Canada about 112,000 miles of earth roads improved to a certain extent, which if given gravel surfacing making them good for the entire hauling season by wagon or truck, would involve a further expenditure exceeding the amount mentioned. The total budget for the ordinary improvement of the ordinary rural market roads of the Dominion is therefore stupendous. Apart from the heavier work of construction and reconstruction of Canada's primary roads included in the federal aid system and its auxiliaries, the making over of rural roads in all provinces is a public work of the broadest dimensions.

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Motor Transportation Ushers in New Era in Country's Economic Life

(Continued from page 17)

traffic. In some cases it has completely, and in other cases only partially substituted the motor vehicle for rail service, and even on portions of its main line where traffic is light the motor bus has taken the place of the former railway passenger coaches.

Trucks Best for Short Haul

Railways have always realized the importance of the motor vehicle in connection with the short-haul traffic to and from their stations, and between stations upon their lines. They have also been taking a new interest in regard to the economical possibilities in substituting motor haulage for local way-freight trains. But the greatest interest now seems to be centred upon the use of trucks, or their equivalent, in relieving the congestion in the large terminals, and in saving the wastes of time and of the facilities in terminal operation This applies particularly, of course, to the large terminals of the United States, for those in Canada are still relatively small, and, besides, we have the system of store door delivery, or cartage service, which is a great preventive of congestion.

One of the divisions of the American Railway Association is the Railroad Motor Transport Conference, which was inaugurated to study the problem of the relation of the motor vehicle to the railroad, in order to ascertain the best systems of coordinating these two agencies. It is a significant fact that a large part of this study has been concerned with the use of the motor trucks in congested terminals. The terminals are the nerve centres of a railroad system, and, if they are wasteful of time or if their facilities cannot be used economically, the operating expenses are increased proportionately.

The railroads are fully alive to the fact that terminal operation hitherto has often been inefficient and expensive and that the motor truck has great possibilities for the betterment of this condition. There are many services which the motor truck can accomplish better than the locomotive and the freight car. The railways are giving a great deal of consideration to these things, and in an increasing number of instances they are studying these matters by experiment, through putting motor trucks or tractors and trailers to work at them. For example, in any large terminal there are a number of freight stations at which considerable quantities of outbound freight originate for destinations to which through cars are not loaded from these individual sub-stations. This freight must be taken to a consolidating station where it is loaded into through cars, and, as the movement of this in partially loaded freight cars through the terminal is costly it is being done more and more by automotive equipment.

While trucks are finding a large sphere of service in this work, experience is showing it to be more economical to use tractors and trailers or semi-trailers. In connection with each tractor a number of trailers are in use; the empty trailers are left at each freight station so that incoming freight destined for outbound consolidated movement may be loaded directly into this empty equipment ready to be taken to the consolidating station. The tractor is in almost continuous operation spotting the empty or loaded trailers and taking them to the loading and unloading points respectively. In this way, it is the expensive tractor which is rendering its maximum service and the inexpensive trailer units which do the waiting. Besides, the use of the tractor and trailer permits the operation of a smaller power unit than would be necessary for the same load on a truck with less weight per wheel. Then, too, where traffic is congested, the tractor and trailer are more easily handled than a truck of equal total length, or even a truck of equal carrying capacity, on account of its hinged movement or flexible coupling. As a result of this plan of operation there is less repair expense because of the simplicity of construction of the trailers; and, because the latter are standing still much of the time the tire expense is nominal. The expense of operating a tractor is greater than that of a truck because it makes more trips, covers a greater mileage and hauls more loads. But the expense of tractors and trailers, for the same amount of work, is very much less than for the necessary number of trucks.

Need for Regulation

Finally, one of the greatest problems, which is forcing itself upon public attention, is that of proper regulation of the motor vehicle. The steam and electric railways and their express departments are finding that while the motor vehicle brings a large amount of paying traffic to them it also takes away some of the business which formerly went by their lines. Because of this, it has been thought by some that there should be regulation of the rates and services of the motor vehicle in the same way as the railways are regulated. To those who think in this way, it would seem reasonable that when the railways are subject to control their competitors on the highway should also be controlled. The motor bus service on the highway, running as it does between definite termini, and never deviating from its regularity of service over a fixed route, is properly and easily subject to regulation as to schedule and fares. But most of the motor freight service does not show these conditions; it is of too varied a character to come under rigid regulation as to service and charges. It is true that motor freight common carriers, which follow definite routes, can have their services and charges brought under public control, but these constitute only a small percentage of the entire number of freight carriers on the highway; and it would seem to be injudicious to attempt to regulate the rates and services of the great number of private and contract carriers. Such regulation would almost inevitably fail. It is the flexibility of this service and its ready adaptation to a great diversity of business conditions which make the strong appeal to the business community, and these benefits are so great nothing should be done to nullify or destroy them. Regulation may be appropriately exercised in regard to the physical vehicle and its weight, speed, etc., but it would appear premature to try to regulate the rates and services of a vehicle which has a strong place in the business structure because of its adaptability to the vast variety of business needs. This is particularly the case when there is no element of monopoly but where competition is very keen.

Varied Legislation

In many states of the United States there is regulation of the motor truck in these respects; but in those states which have been the most careful and constructive in legislation there is no such regulation. In the New England states, like Massachusetts, Connecticut, New Hampshire and Maine, and in New York, where the traffic is the densest of any part of the country, there is no regulation of rates and services of motor freight carriers. This should be a guide to sanity in the matter of control of these aspects of motor carriage. Even in the case of states which have regulation of rates and services of motor trucks, it is a fairly general view of those entrusted with this regulatory power that wide latitude must be shown in the enforcement of the regulations and that at present they are largely ineffective because of inability to control such details of operation. The legislatures of Ontario and Alberta, at the recent session of each, have passed regulatory laws concerning public vehicles. The Ontario statute makes provision that the motor truck owner shall file an insurance policy or indemnity bond to assure his patrons of adequate compensation for injury or loss of their shipments, but it carefully refrains from regulating tolls or services. The Alberta statute is more extended in its provisions: it introduces necessary safeguards to protect passengers or shippers who use these services, but it leaves a large amount of discretion to the Minister of Public Works who is to be entrusted with its administration when it has been brought into effect.

Canada Now Owns 836,794 Automobiles

With slightly under eight for every one hundred of population, Canada now stands second to the United States in the number of motor vehicles in use. The total registrations in the Dominion during 1926 were 836,794, made up of 728,067 passenger cars, 87,437 trucks and 21,290 buses, motor cycles, etc., including also 6,781 taxi cabs. By provinces this distribution was as follows:

Prince Edward Island	3,460
Nova Scotia	25,879
New Brunswick	21,541
Quebec	108,332
Ontario	388,728
Manitoba	57,857
Saskatchewan	97,267
Alberta	65,590
British Columbia	68,009
Yukon	131

Highway Construction Aided by Adoption of Legislation

The first legislation enacted by the Dominion Government to encourage the provinces of Canada to cause to be constructed and improved a general system of main and market highways was the Canada Highways Act, 1919. This Act appropriated from the Consolidated Revenue Fund of Canada, the sum of $20,000,000 with which to encourage the building of a connected co-ordinated system of highways, to the best standards then undertaken in Canada. The amount of aid provided by this legislation was 40 per cent. of the "actual, necessary, and reasonable cost" of the construction and improvement of the systems designated by the provinces for such aid.

Successful Truck Operations Result of Adequate Facilities

A truck line having an adequate number of each type of trucks, ample to handle the traffic offered at all times, has a very distinct advantage over a competing line. The large carrier has such an advantage over the small carrier which maintains a fleet barely large enough to exist. A certain number of extra truck is absolutely indispensable to good service. When trucks are laid up for repairs the scheduled services must continue without interruption and this can only be done when the truck line owns extra trucks which may be placed in service on a moment's notice. When the volume of traffic is unusually heavy, as it invariably is at certain seasons of the year, the truck line should be in a position to augment its regularly scheduled services by the addition of extra trucks and trailers, thereby making possible the movement of peak loads without delay and without the disruption of schedules.

The ownership and operation of the kinds of trucks and trailers best adapted to the economical, quick and safe movement of the traffic solicited, is a condition which must obtain before the truck line can give the best service possible. Consequently, when a truck line's equipment is suitable to the kind of traffic it hauls, its freight solicitors may well capitalize the fact in securing the routing of traffic.

Canada's Sea Fish Catch Shows Slight Gain in April

During the month of April there were 28,123,300 lbs. of sea fish valued at $1,437,981, taken. In the same month last year the catch was 29,353,000 lbs., valued at $1,419,592.

On the Atlantic Coast, there were 14,392,600 lbs. of cod, haddock, hake and pollock taken, compared with 18,881,700 lbs. during April, 1926.

The decrease is due principally to the catch of cod, which was 5,792,300 lbs. less than April last year. Haddock showed a good increase, there being 3,414,700 lbs. landed, compared with 2,106,400 lbs. for the same period last year.

Pacific Coast reports show a decrease of 256,000 lbs. of halibut is recorded, the catch for April being 3,198,200 lbs.

The catch of salmon was 877,600 lbs., compared with 824,000 lbs. in the preceding April.

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B.C. Mineral Industry Prosperous; Expanding in a Remarkable Way

Hon. William Sloan Issues Final Figures for Past Year and Comments on Outlook in an Optimistic Manner

INCREASE FOR YEAR OVER 9 PER CENT.

Province Assumes Leadership in Silver Output, Leading Ontario For First Time—Much New Work Going on and Many New Finds Reported

VICTORIA.—British Columbia's mineral production in 1926 surpassed all previous records in the history of the operations of the industry in this province, according to final and revised figures set forth in the annual report of the provincial department of mines issued under authority of Hon. William Sloan, provincial secretary and minister of mines. These figures indicate, that with an output valued at $67,188,842, gross profits approximating twenty-five per cent. of the gross value, and dividends of nearly $10,000,000, the year was the most satisfactory and successful one in the history of the province.

With the exception of coal (including coke) and gold, increased outputs of metals and minerals were made in all branches of the industry, the value of which shows an increase of $5.696 600, or 9.2 per cent. as compared with the 1925 valuation of $61 492.242, the previous high record year.

Since mining commenced in British Columbia in 1852 the total value of the mineral production has been $988,108,470 of which total there was produced in the past quarter of a century an aggregate value of $850.308,000. and of this latter amount well over fifty per cent., or to be exact, $471,839,000 was produced since the year 1916.

British Columbia is now the leading silver producing province of Canada Hon. Mr. Sloan's report shows, having made a larger output in 1926 than Ontario, which for many years has been in the lead. This province also continues to be the largest producer in Canada of lead, copper and zinc. Since 1921—the year of an acute depression in the metal markets of the world—British Columbia has made impressive progress in increasing its mineral production each year. The value of the 1926 output was nearly two and one-half times that of 1921 and the yearly increase has been nearly $8,000 000 a year. The increase in the value of production last year was made notwithstanding lowered average metal prices as compared with 1925, indicating a very satisfactory condition in the industry, with production steadily increasing regardless of fluctuations in the metal markets.

Production and value thereof in 1926 compares with that in 1924 and 1925 as follows:—

		1924		1925		1926	
Description		Quantity	Value	Quantity	Value	Quantity	Value
Gold (placer *)	oz.	21,037	420 750	16,476	280,092	20,912	355.503
Gold (lode)	oz.	247,716	5,120,535	299,719	4,335,269	201,427	4,163,859
Silver	oz.	8,341,768	5,292,184	7,654,844	5,286 818	10,748,536	6,675,606
Copper	lb.	64,845,393	8,442,870	72,306,432	10,153 269	89,339,768	12,324,421
Lead	lb.	170,384,481	12,415,917	237,899,199	18 670,329	263,023,937	17,757,535
Zinc	lb.	79,130,970	4,266,741	98,257,099	7,754,450	142,876,947	10,586,610
Coal	tons, 2 240 lb.	1,939,526	9,697,630	2,328,522	11,642,610	2,330,036	11,650,180
Coke, †	tons, 2,240 lb.	30,615	214,305	75,185	526,295	....	....
Miscellaneous		....	2,833,672	....	2,843,110	....	3,675,128
TOTALS		....	48,704,604	....	61,492,242	....	67,188,842

*Placer gold in 1925 and 1926 valued at $17 an ounce; in former years at $20.

†Coke not included in primary mineral production; coal used in making coke included in coal figures.

Increased Tonnage

In his report Hon. Mr. Sloan points out that the tonnage of ore mined and treated in the province last year also shows a considerable increase; 4,775,073 tons of ore being produced, compared with 3,849,269 tons in 1925.

Metal mining led in the value of production at a figure of $51,863,534 followed by coal mining with an output valued at $11,650,180 and then came structural and miscellaneous totalling together $3,675,123. The quantities of lead, copper, zinc and silver produced in 1926 were the highest in the history of mining in the province. Due to the steady expansion of the Sullivan mine, of the Consolidated Mining and Smelting Company of Canada, at Kimberley, lead has easily maintained first place in the value of mineral products produced in the province for the last three years, last year's output of 263,023,937, lbs. being nearly ten per cent. of world production, and the present rate should at least be maintained for many years.

Copper Second Place

Last year copper reached second place in point of value of production having been nearly $700,000 greater than coal. During the war years, due to a very high price for copper, the production of this metal assumed first rank in mining in the province. Commencing in 1919, a heavy slump took place in both the quantity and value of the copper output, but a steady improvement has taken place in recent years, with the result that the output of 89,339,768 pounds of copper in 1926 was the highest ever made in the industry.

Zinc production in the last three years has also shown a large increase mainly due to operations at the Sullivan mine, but other mines are also contributing in part. A still larger production is looked for this year as the zinc-refinery at Trail, of the Consolidated Mining and Smelting Company of Canada, is being further enlarged to a capacity of 230 tons a day.

Silver Output Grows

Silver production is rapidly increasing, the two largest contributors last year being the Sullivan and the Premier mines. The value of the year's production was $6.675.606 compared with $5,768.823, the value of the On-

(Continued on page 29)

Read it and Weepah

Blue Mr. Eagle Gives Interesting Facts Regarding Nevada's New Mining Camp

All that glitters is not Weepah and out of the many called a mighty few will be chosen. In other words there is no fortune waiting for you at Weepah. The famous mine about which so much has been said is two feet wide and three feet deep with about ten times more dirt in sacks than could have come from a hole that size. There is no mine; there is no work nor is there even a decent poker game. Imagine a wild mining camp with a dollar a stack and living cheaper than you can get it in the hot dog district of a city.

Jack Christensen and T. Stillwell were in Canyon City recently having just returned from the new mining camp of Nevada. Christensen has a hot lunch outfit, and a good one. He attended the '62 celebration here last June. He went to Weepah as a gold digger and did not even set up his stand. He said that about 40 per cent. of those who rushed to the camp went for some kind of business. Automobiles were loaded with groceries and in fact everything and these goods were sold at a great sacrifice. Many made the camp looking for work. But there is no work. There is not a day's work for half a man. There is nothing doing. But the thousands have come and the thousands have gone and many never as much as got out of their car.

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MAJOR PORTION OF NICKEL STOCK IN CANADIAN HANDS

Heavy Buying Suggests Move to Bring Control to Canada

CONTROL ON "STREET"

Shareholders' List Shows 24,000 Holders With 7,000 in the Dominion

Is C.P.R. Behind the Drive for "Nickel"?

Montreal buying has been a feature of the market for International Nickel shares. The suggestion is that C.P.R. has entered the market. "Smelters" was a profitable purchase for C.P.R. from a tonnage point of view and profit on the shares.

In 1918 International Nickel was one of C.P.R.'s biggest shareholders. Now this business is split. Algoma Eastern gets the bulk of it. It is reasoned that C.P.R. could well enter the "Nickel" market with some of its "Smelter" profits, make a much better customer out of the "Nickel" and still stand to profit materially on the shares.

Is there a move on in Canada to purchase control of International Nickel?

This is quite within the realm of possibility.

The tremendous volume of Canadian buying, almost, unprecedented, has given rise to this thought.

So much stock has been taken up during the last few weeks, that close students of the stock express the opinion that the major portion of the stock is now in Canada.

It may or may not be that this buying has crystalized into a movement for control. If there is such a move on, those engineering it may be gradually consolidating their position before coming out into the open.

One leading broker states that unless U. S. interests buy back a tremendous amount of the stock from Canada, he is certain that there will be changes in "Nickel's" board. This would be more certain if some interests undertook to consolidate and speak for the large Canadian interest in the stock.

It has been generally known that control of Nickel was on the "Street." The last shareholders list gave 24,000 shareholders, 7,000 in Canada. The largest shareholder held 20,000 shares, or 1/86 of the total outstanding.

Nickel has outstanding $41,834,600 in common stock, par value $25, or 1,713,384 shares. The great bulk of the Nickel buying has been for Canadian account and on Canadian exchanges. A great deal of the New York buying has been for Canadian account as many have found that the ruling New York price was fractionally under the Canadian level. Besides many Canadians have been buying in New York on open account as they can get call money in New York much cheaper than in Canada.

The situation is fraught with great interest.

WOULD PROVIDE SUDBURY WITH GOLD OPERATION

Two Operations in Section Now — One East and Other to West

Two serious efforts to provide Sudbury district with a gold mining operation are being made, one on the east of the nickel-copper-lead-zinc belt and the other on the west.

McMillan Gold mines, a semi-private operation, financed in New York, is operating in the west, some distance from the Worthington mines. The company has 28 claims en-bloc. They are now shaft sinking.

Crystal-Comstock gold mines are working on the east. It embodies the old Crystal and Comstock groups, located east of Wahnapitae Lake and holdings total 267 acres.

The Crystal has a 10-stamp mill and at one time produced, but there are no records available. It failed when it was found that the good ore ran onto the adjoining groups and these could not be secured. The new company has these extensions and will likely continue the Crystal workings which are quite extensive. A great deal of fine gold is showing on the property.

THIRD HIGH GRADE SHOOT

Another branch of the high-grade vein recently cut on 750-ft. level of Trout Lake Lorrain shows five inches in width of very high-grade ore. This makes third important find at 750-foot level and assures Trout Lake big profits despite the low silver market.

MAY DRILL GATEWAY

It is understood that Kirkland Gateway is arranging for finances to diamond drill.

Sudbury Keen on Future Outlook of Area; Big Expansion Coming

Many Groups in Area Seeking Properties in Lead-Zinc Section

WATCHING "NICKEL"

Rapid Rise in Shares of Large Producer Since News Was First Published

Mining is at fever heat in Sudbury district. The market for International Nickel shares has already fulfilled in part the prediction of The Financial Post in its issue of May 13, when the question was asked "Will International Nickel's Market Action copy Smelters?" Trading opened this week with sales at 74 or one point from being three times the par value of $25. At the time The Financial Post published its first big story of Nickel the shares were selling at 51 and the rise has been quite spectacular since then.

An effort to analyze the buying of Nickel would indicate that bulk of the demand is Canadian. Monday of this week gave good evidence of this, when the New York Exchange was closed because of the holiday. Transactions continued as heavy as usual on the Canadian exchanges, the volume being almost equal that of when all exchanges were operating. On the other hand, on Victoria Day, when the Canadian exchanges were closed, the stock eased in New York.

Buying Becomes General

Large brokerage houses, dealing heavily in the shares, state that buying is gaining momentum, that a large number of people are only beginning to appreciate the possibility of the operation and are coming into the market.

Sudbury at the moment has three thrillers, International Nickel, Bunker Hill Sulivan and Mond Nickel. Of the latter two they know little, though they are right in their midst. However, there is just enough information filtering through to keep them keyed up, while the constant coming and going of new parties seeking properties in the area, is causing a great deal of speculation. It is generally believed that recent developments have convinced the Bunker Hill people and their associates that they should have more ground. The result is that very little news is being let out and there are people scouring the field daily.

Area is Extensive

A study of the geological map would indicate that the possible area of lead-zinc mines is quite large and opens up the possibility of many mines. Many years ago, Dr. Coleman prepared a geological map of the Sudbury basin, showing a series of belts in a sort of an oblong formation, much like a long gravy bowl. On the outer edge of this is the formation carrying the nickel or copper ores, while in nearer the centre are the slates which are giving up the lead-zinc. There is a band of each making a complete circle of the bowl. No one has been able to improve on this map to-date, but it is understood that A. G. Burrows, Ontario's chief

(Continued on page 27)

Special Section of the Post on Developments at Sudbury

Because of the keen interest which has been aroused in the Sudbury Mining camp, and the great possibilities indicated by recent developments, The Financial Post has decided to issue a special section on June 10 outlining in detail, the situation and outlook.

For some days now, members of the staff have been making a study of the situation and this has revealed facts that very few people ever dreamed of.

Predictions have been freely made of late that Sudbury camp would provide leadership for all the other camps of the North. A study of the camp and the deep workings of the mines shows that this is well within the realms of possibility.

International Nickel, Mond Nickel and Bunker Hill-Sullivan are the three main operations, in fact about the only ones of any account at the moment that are operating. There are big possibilities, however. These are indicated by developments on the various mines already opened up and the camp has numerous ones, owned either by Internatiotnal Nickel or Mond. The fact is that these two operations have been the only ones in the camp. They had the choice of the properties and little or no competition for them. They have done well and their success, as will be outlined by The Financial Post, pictures the possibilities there are for others. The same with the lead-zinc section. There are many men in the field in this section. It has large possibilities.

Nickel May Earn $4 on Common This Year

Some Interesting Facts About Large Sudbury Operation Appear in Wall Street Journal—Pictures Stock as a Long Hold

While International Nickel shares are selling away out of line with present earnings and are being purchased for speculative profits on a long hold, the present earning situation is not without its interest. Wall Street Journal points out that "Nickel is earning at about the same rate as last year when it showed $3 a share on the 1,673,384 shares of common stock outstanding. It is believed this year that it may earn around $4 a share on the common after depreciation and depletion.

Nine to Fifteen Per Cent. Copper

"Advance in the stock has been due to the striking of copper ore in two drill-holes some time ago at the Frood mine at a depth of 2,000 feet. These drill-holes showed ore assaying from 9 per cent. to 15 per cent. copper. This ore is low in nickel so that the company can produce from this ore shoot independent of the demand for nickel. Most of the ore at Sudbury carries roughly two-thirds nickel and one-third copper, making sales dependent upon nickel demands.

"There are indications of a large tonnage of this copper ore, but of course the grade of the ore cannot be known simply from two drill-holes, although it is fairly certain that it will be of good grade for copper ore.

"It will be two years or more before the company can begin to mine from this new copper orebody as the shaft must be sunk to a depth of 2,200 feet and the mine opened up, and it may be even three years before much of a tonnage is coming from the copper orebody. It is understood that International Nickel intends to spend several million dollars in opening up the Frood mine.

Uses For Nickel

"Consumption of Nickel is increasing encouragingly, but it takes time to expand the commercial demand. Pre-war nickel went mainly into armour plate. The way in which commercial demand has responded to the efforts of President Stanley to make the merit of nickel steels and nickel and monel products known is marvellous. However, from now on it must be expected that the increase in nickel consumption will be slower.

"The nickel ore at the Frood mine, while not so rich in nickel as that at the Creighton, carries much more platinum. On that account it is planned to refine the nickel ore from the Frood mine electrolytically, so as to recover the platinum and precious metals in it."

ARGONAUT SHOWS BETTER VALUES; NEW ORE OPENED

Interesting Developments Being Pushed on 1125 and 1250 Levels

Official information from Argonaut Consolidated mines is most satisfactory and encouraging. On the 1,000-ft. level vein 1,037 is being developed further than the 155 ft. reported before with values in the face as good if not better than that reported in the stope previously.

Ore from 1037 is already going to the mill and has its good effect whereas mill heads have raised above the $10 mark which by the way is much above cost of handling.

The downward continuation of vein 1018 is now fully crosscut on the 1125-ft. level and will be opened at once. It will take a few days of blasting to establish volume and values on that level. The main point is that the operators have encountered ore just as determined by diamond drill which ore gave high assays.

The report also states that drifting on the 1.250-ft. level broke through the porphyry dike on Thursday night last and that the ground is already mineralized, 30 ft. short of the objective which they should reach this week.

The mill is already showing the good effect of better ore. They are now milling 110 tons a day and June will be the turning month for Argonaut.

The market for the last two days has shown queer appreciation of the good work going on at Argonaut.

DRILL CONTRACT FOR CORA GROUP IN MICHIPICOTEN

MONTREAL—Cora Gold Mines, located near Michipicoten, Ont., have awarded a contract for diamond drilling on their property to the Sudbury Diamond Drilling Company, who will start work immediately. Officials of the company stated that within the next sixty days Cora Gold Mines will have proved their big vein at considerable depth, and immediately shaft sinking will start; to be followed by the erection of a mill.

Fifty Dollar Power is Not Acceptable

Power situation in Kirkland Lake has again reached a chaotic state. The leading mines decline to accept the new power contract of Northern Canada Power subsidiary, Northern Ontario Light and Power Co.

Tough-Oakes-Burnside mine accepted and signed the contract and has been enjoying the cheaper rate since about March. While the new contract means cheaper power and better operating conditions, at least more elastic ones, the companies advisor, F. G. Acres, consultant of Hydro Electric Power Commission, told them that power could be supplied at $40.

Financial Service, Montreal, says, there is an air of finality about the negotiations now under way. Kirkland operators feel they have the lives of their mines insofar as power is concerned under consideration. They feel they have been paying the Power Co. an exorbitant rate during the struggle to bring the mines to the profit-earning point.

Nipissing Ships High Grade from S. Lorrain Group

High grade ore accumulated and bagged during the winter, has been shipped to Cobalt by Nipissing from its South Lorrain operation. There were 1,400 bags. At the annual meeting it was reported there were about 1,000 bags of high-grade ore on hand. This has been augmented by an additional 400 bags, indicating the production of this property is increasing in a satisfactory manner.

With this source of high-grade augmenting the recovery of the low grade plant at Cobalt, production of the mine should be at least equal to that of the winter months, when a number of sources of ore supply were shut off on account of weather conditions. An open cut close to the milling plant is being operated and is supplying a large amount of milling ore along with some high-grade. The major portion of the high-grade, however, was removed during earlier operation of the property, this being one of the show places of the mine about twelve years ago, the silver vein standing up about a foot above the rock in places, the adjacent softer material having been eroded away.

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ITALIANS HAVE OWN OPERATION IN KAMISKOTIA

Rich Gold Operation in Turnbull Tp. Produced Some Small Bricks

Kamiskotia gold-copper area, west of Timmins, continues to attract attention. Hollinger has closely guarded the results of its diamond drills but engineers down from the north tell of reports that the gold content in the ore, along with commercial copper values, is high. It is understood that quite a number of properties have been taken up.

Found in 1910

Following the discoveries of gold in the Porcupine camp, prospectors extended their activities westward and as early as 1910, discovered gold in Robb and Turnbull townships. Many discoveries were made, but no producing mines resulted owing to the general depression due to the war. The latest marked increase in prospecting activity followed the new copper-gold find made by George Jamieson last October.

The South part of Kamiskotia Lake in Robb Township and the Township of Turnbull has been noted for its many rich gold discoveries, and since Hollinger's entry into the field, many new finds of copper-gold have been made which gives promise of playing an important part in the production of precious metals. The area for several miles both south and west of Kamiskotia has ideal geology, and many look for important finds being made by the flow of prospectors going into the field.

Most of the early discoveries are now being prospected again for copper as well as gold, many of which have met with success in the finding of copper, either associated with the gold or in sulphide veins or dykes which the prospector had passed up as being of no value in former days.

First Discovery

The Jamieson claims on the south boundary of Robb and Turnbull townships, Numbers P-6009 and 6010, have a body of quartz porphyry on contact with the diabase of greenschists. Several pits have been sunk on this vein which contains copper-pyrite and native gold. This is one of the earliest discoveries in this section. Two miles west of this property a large quartz float weighing several tons was found, and contains visible gold—which evidently has not come from very far distant outcrops, where gold has been found on the Newton claims.

The Kamiskotia Exploration Syndicate, adjacent to the west of the Jamieson property, is reported to have good copper gold values in a rhoylite porphyry intrusive dyke. The syndicate property contains approximately 360 acres. Sufficient finances have been privately raised to commence work, and further offering to the public for future development. H. E. Owens, engineer for the Syndicate, has an interest in the enterprise, is well-known in mining circles throughout the North and under his direction the property will get a thorough test.

Adjacent to the West a large copper find has been made on the Nelson property which is said to run some 41 per cent. copper. To the South of this prominent gold showing was made in the early days on Mount Rutledge, which has been patented for some years. Immediately to the south of this, the McArthur gold mines have one of the largest veins exposed in the Township, which the management, Bert Lambell, M.E., reports as giving good gold and copper values.

South of this is the Des Santais development Company, and the Devanney property, with very spectacular native gold showings. The main vein carries pyrite and chalcopyrite with a high-grade streak of gold. Many other properties with high-grade showings in the Township, are LeDuc, American Porcupine Mining Co., Porcupine West and Gold Mines, Evans property, Lalley Gold, and the Gibson property. This latter property has some very extensive gold showings, which is said to have been sold by Gibson, Mick Conway and Mick Head, for some ten thousand dollars in the early days, to a Pembroke financial group, who, it is said, are at present asking $40,000 for two small fractions which they patented.

Much is heard in the camp about the good work of Hollinger. The revived Kamiskatia in less than a year old yet it is generally accepted that Hollinger's drilling has indicated a tremendous tonnage of ore. This is in marked contrast to the early days of Porcupine when Hollinger struggled along for years before it achieved results equal to those secured in Kamiskatia in a few months. It is expected that some time after the first of September Hollinger's shaft and lateral work will have reached a point where a great deal of information will be available on the deposits of the camp.

Rather an interesting new company is De Santis Development Co., with property in Turnbull Township. It has opened out a very rich gold showing in the south-west corner of the township. The company is purely Italian, made up of Italian employees of Hollinger mine and other fellow countrymen in Porcupine camp. They have subscribed $60,000 to the treasury for operating and have taken an up-to-date little mining plant in, consisting two boilers, single hoist, 2 drill compressors, gasoline engine, small saw-mill and have erected camp. Already the shaft is down 75-ft. and will be carried to 125-ft. on which horizon cross-cutting and drifting will be done.

The surface showing was most spectacular. For months it is said, rich free gold samples have been picked out, ground up and made into small bricks.

The strike of the vein is north and south, and it is said to be about 32-ft. wide. The vein was in the shaft all the way down to 60-ft. where it dipped out.

It is understood that the organizers of the operation are old Hollinger men, one of them having been 13 years with Hollinger and never lost a shift until he went down to the Turnbull property to install the machinery.

TRAIL ORE RECEIPTS

Ore receipts at Trail Smelter from 8th May to 21st May, 1927, inclusive, and from 1st January, 1927 to date, in tons:

Company's mines	6,341	160,519
Other mines	2,550	65,467
	8,891	225,986

McINTYRE EARNS AT HIGHER RATE IN 9 MOS. PERIOD

Good Showing is Made—Reserves Are Higher and Costs Are Down

McIntyre's earnings for nine months ending March 31 were $1.72 per share or at the rate of $2.28 for 12 months. The total unit before depreciation and dividends was $1,377,172, compared with $1,721,382 or $2.15 per share for the previous 12 months.

The report shows a healthy condition. Ore reserves stand at $14,130,220 up $1,092,179 over the last report. Fixed assets are up $519,000, surplus $24,000 and reserves $380,000.

Costs show a decline of 30 cents per ton. Milling costs being down 8c per ton.

It is expected that the new shaft, which is now down to the 4,125-foot level, will be sufficiently equipped for underground workings to go ahead early in September. During the period covered by the report, McIntyre has acquired, by staking and options, certain claims (number not mentioned) in the Kamiskotia area and in Warden township, where exploration work is now in progress.

Hoisting More Ore

The general manager's report shows that McIntyre hoisted 385,409 tons in the nine months period, covered by the report. The gross value of this ore was $3.08 a ton or $3,113,500 and bullion recovered $2,957,061. Broken ore in stopes now amounts to 328,474 tons of $7.95 ore, an increase over the previous year of 13,347 tons. Better facilities for disposal of waste underground has materially increased the rate of development and made it possible to handle ten per cent more ore with the present hoisting equipment. The installation of hoisting machinery in the new shaft is almost completed. The headframe and ore bins are 70 per cent. completed. The shaft will be ready for active development in August.

The mill continues to show lower costs and better metallurgical results. Milling costs in the nine months period were approximately 75 cents a ton, compared with 83 cents in the previous twelve months. Operating costs were $2.78 a ton, compared with $3.08. The sum of $519,775 was spent on additions to plant, building and equipment.

Reserves are Higher

The most important change in the balance sheet is an increase in reserves from $2,645,376 a year ago to $3,025,638 on March 31 this year.

Current assets this year are $2,031,899, against current liabilities of $291,322, leaving a working capital of $1,740,577, compared with $2,839,984 a year ago.

Investments are down from $859,993 to $819,993, but this is a favorable change, as the item "other investments" have been written down from $40,000 last year to $1 this year.

Fixed assets are up from $7,053,072 to $7,572,847, an increase of $519,100. This represents the additions to plant, building and equipment during the nine months.

Total assets now stand at $10,507,868, compared with $10,046,505.

	9 mos. to Mar. 31,'27	12 mos. to Jn 20,'26	12 mos. to Jn. 30,'25
Bullion recov'r	$2,957,061	$3,804,755	$3,546,637
Oper. & adm..	1,598,685	2,121,322	1,927,500
Oper. profit ..	$1,358,376	$1,683,453	$1,619,137
Non. per. rev..	77,470	104,444	95,833
Balance	$1,435,846	$1,787,897	$1,714,970
Taxes	58,673	66,514	96,084
Net profit	$1,377,173	$1,721,383	$1,618,885
Sundry adj.	4,416	....	....
Balance	$1,381,589	$1,721,383	$1,618,886
Surp. prev. yr.	3,176,805	3,311,542	3,137,483
	4,558,394	5,032,925	4,756,374
Less dividends	598,500	798,000	798,000
Balance	$3,959,894	$4,234,925	$3,958,374
Dev. writ'n off	332,924	460,759	268,943
Balance	$3,626,970	$3,774,166	$3,689,431
Dep. & Sun. .	426,062	597,359	377,888
Surp. on hand.	$3,200,908	$3,176,807	$3,311,543

ABANA LOOKING WELL

Lateral work on the 125-foot level of Abana Mines, N. W. Quebec, has opened up an ore-body of high grade chalcopyrite for a length of 600 feet, while at 190 feet in the main shaft, this vein came in showing massive chalcopyrite, also carrying 20 ounces of silver. Those in charge of operations are reported to be highly pleased with results thus far.

MINING STOCK QUOTATIONS

Week Ending May 30

	Par. Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Close May 30	Sales for wk.	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low
Ajax	.	...	...	25	25	25	500	...	...	39	6½
Al. C. M.	.	...	...	3.36	3.01	3.36	13950	...	...	3.36	3.01
Amulet	1	...	...	1.63	1.42	1.57	176368	2.98	.90	2.89	.85
Algonquin	1	...	...	3¼	2¾	2¾	41500	6¼	1¼	5¼	2
Apex	1	...	...	1	1	1	1000	6	2¾	3½	1
Area	1	...	...	36	30	33½	138550	1.55	.21	1.95	.23
Argo. Con.	1	...	...	55	42½	47½	409620	67	18½	59	33
Atlas	1	...	...	7	5½	5½	242650	5	1⅝	7	2
Abana	.	...	...	74	58	71	27100	.	..	75	20
Aconda	.	...	...	22	20	20	4000	..	..	45	20
Allied M.	.	...	...	..	..	..	...	..	..	5.51	2.70
Archean	.	...	...	..	..	..	..	...	...	18	17½
Amos	.	...	...	..	..	..	.....	...	...	56	15
Bard.	.	...	...	86	86	86	5000	...	...	1.59	30
Baldwin	1	...	...	2¼	2	2	13000	6⅞	1	4¾	2
Barry Holl.	1	...	...	31	28	28½	82550	1.00	.21	1.00	.28
Beaver	1	...	...	1.13	1.04	1.05	14260	.99	.51	1.22	.59½
Bellellen L.	1	...	...	..	...	...	...	23½	20	23½	3½
Bidgood	1	...	...	11	10½	10½	9500	9⅝	4½	12	5
Boston Creek	1	...	...	..	..	..	...	7½	2½	1	½
Bourlamaque	1	...	...	..	..	..	....	1.45	1.02	1.53	.50
Buckingham	1	...	...	4¼	4	4	21800	7¾	2	9½	4
Boischatel	.	...	...	7	5	5	19000	...	...	27	5
Bunker H.	.	...	...	81	80¼	81	175	...	...	81	75¾
Calartic	.	...	...	..	..	..	....	...	...	1.00	.94
Can. Lorrain	1	...	...	22½	21	21½	1800	93	57	72	20½
Capitol S.	1	...	...	20	18	18	8500	48½	24	34	18
Capitol R.	.	...	...	14¼	12½	14¼	1300	43	26	54½	12½
Cen. Manitoba	.	...	...	1.65	1.50	1.50	27525	...	...	1.90	1.07
Castle Tre.	1	...	...	82½	81	82	28400	1.85	.91	1.27	.81
Chaput H.	1	...	...	9½	8½	9	34400	22	3⅛	13¾	4⅝
Clifton	1	...	...	..	..	..	...	6½	1	3½	1
Coniagas	5	...	...	3.50	3.50	3.50	1100	4.85	3.00	4.40	3.41
Coniaurum	5	...	...	3.20	3.00	3.00	1190	4.60	300	3.50	2.80
Col. Kirk.	1	...	...	4	3	3	58000	6¾	2	6	2
Cons. Smelter	25	10	1.00	253½	245	250	4499	265	177¼	264	242
C. W. Dome	1	...	...	6½	6	6	25300	29½	14	19	6
Crown Res.	1	...	...	11½	10	11	10000	24⅛	8	15¼	7
Corona	1	...	...	17½	14	14	46270	37½	20	37	11¾
Copper Hill.	.	...	...	55	54	55	30200	..	..	55	49
Comm. Mines	.	...	...	1.18	1.05	1.16	41050	...	...	1.18	.71
Destor	.	...	...	..	...	...	....	41	40	43	40
Dorion	.	...	...	3.06	3.00	3.00	1550	...	...	3.06	3.00
Davidson	1	...	...	..	..	..	.....	3	1.12	3	1
Dome Mines	None	$1	13.5	8.05	7.40	7.40	1740	20.00	8.00	10.85	7.50
Don Rouyn	1	...	...	31	29	30	23500	61	25	56½	17½
Duprey	.	...	...	..	..	..	.....	..	..	10	10
Duprat	1	...	...	11¼	8½	9	99220	35½	8½	34½	7½
Dubec	.	...	...	75	70	73	42730	..	..	75	35
Dom. Lead	.	...	...	1.26	1.22	1.26	6600	...	...	1.26	1.05
Fiske	.	...	...	..	..	..	....	16	12	30½	8
Fisher, Que.	.	...	...	..	..	..	...	..	..	85	74
Foothills	.	...	...	3.25	3.25	3.25	100	..	..	3.25	3.25
Everett	1	...	...	..	..	..	...	12¼	3¾	5½	2¼
Goldale	1	...	...	26½	23	23¼	20700	43	24	30	20
Gold Hill	1	...	...	32½	30	30	54757	73½	25	54	30
Gold Reef	.	...	...	..	..	..	....	5	1	2½	1
Gifford	1	...	...	..	..	..	....	..	...	1¾	1
Gladstone	.	...	...	..	..	..	....	..	..	29	26½
Grover Daley	.	...	...	11¾	10	10	31500	32	18	37	9½
Harvie Exp.	.	...	...	15	13½	13¾	6129	..	..	16	12
Hillcrest	100	6	10.00	60	60	60	45	65	55	65	60
Do. pref.	100	7	8.23	..	..	..	....	83	79½	87	84
Haultain	.	...	...	..	..	..	...	..	..	15	14
Hill Top	1	...	...	10½	10	10½	2000	31¾	20	24	10
Hollinger	5	26	6.53	20.30	19.85	19.90	8230	21.00	16.65	22.65	19.85
Howey Gold	1	...	...	72	66	71	39660	..	..	75	42
Huron	.	...	...	1.09	1.02	1.07	2000	..	..	1.09	1.02
Indian	1	...	...	7⅛	7	7	5200	14½	2¾	11	4
Int. Nickel, c.	25	$2	2.70	75	63⅛	74½	233165	46	32½	75	38
Jay Copper	.	...	...	..	..	..	....	1.10	.73	1.26	1.04
Keeley	1	24	19.20	1.31	1.25	1.25	12895	1.90	1.39	1.66	1.25
Keora Mines	1	...	...	4⅛	4	4	11500	22	11	12½	3¾
Kirk. Hunt.	1	...	...	23	21	21¾	62350	34	8½	35	14
Kirk. Lake	1	...	...	1.37	1.25	1.25	133940	1.44	.69	1.54	.82
D. Kirk.	.	...	...	2	1½	2	8000	..	..	2	1½
Lake Shore	1	40	2.00	20.40	20.00	20.20	5295	16.15	9.50	21.10	15.40
Lakeside L.	1	...	...	1¾	1½	1¾	3000	10	1⅛	6	1¼
Laval	1	...	...	25	19½	20	57930	45¾	21	55	19½
La Rose	1	...	...	7	7	7	600	39	4	12	7
Lorrain, c.	1	...	...	2	1½	1⅝	9400	15	2	3¼	1½
Lorrain T. L.	1	...	...	78	64	78	5500	1.10	.30	.78	25
Lucky Jim	.	...	...	..	..	..	....	..	..	21	20
McDougall	.	...	...	36	30	30	12000	..	..	40	17
Marclay	1	...	...	..	..	..	....	35	30	42	34½
M'tchatell	.	...	...	32	30	32	16950	..	..	32	30
Macassa	1	...	...	26	20	21½	57230	43	25	37	20
McKinley	1	...	...	18	16	16	13950	26	8½	18	11
McIntyre	5	20	4.00	25.50	25.00	25.25	53105	29.75	22.70	27.50	24.00
Millcrest	1	...	...	6	5	6	43500	21½	3½	6½	4
Mining Corp.	5	12½	..	3.20	3.00	3.00	8102	4.45	2.60	3.65	2.90
Moneta	1	...	...	10	10	10	3000	18	11	14	8¾
Montreal Rouyn	1	...	...	13	10	13	13500	60	13	33	10
N. A. Dev.	.	...	...	1.75	1.25	1.75	1800	...	...	.75	1.25
N. A. Lead.	.	...	...	2.35	2.10	2.34	29700	1.75	1.50	2.38	1.71
Noranda	None	..	...	22.80	22.25	22.75	21761	24.75	12.00	25.00	19.95
Newray	1	...	...	30	30	30	1000	45	31	34	28
Night Hawk	1	...	...	9	7¼	8	32800	17	3¾	10¼	4¼
Nipissing	5	12	10.00	6.35	6.00	6.00	7045	9.25	4.95	10.30	5.90
Ophir	1	...	...	1¼	1	1	4100	4¼	½	4⅝	1
Ontario	.	...	...	1.19	1.16	1.19	6200	...	...	1.19	1.03
Osisko	.	...	...	50	47	47	8800	1.94	1.05	1.75	.40
P. L. Cobalt	1	...	...	6	4¾	4¾	6500	32	14½	18	6
Porc. Crown	1	...	...	6½	5½	5½	47200	12	4	11	5¼
Pioneer	1	...	...	90	85	90	4670	1.22	.66	1.18	.85
Premier Gold	1	32	15.60	2.09	2.01	2.05	14025	2.75	1.83	2.30	1.86
Preston	1	...	...	..	..	..	....	9⅞	4	6	3
Potter Doal	.	...	...	28	25	26¼	204750	..	..	65	24¼
Power & Mines	.	...	...	1.68	1.55	1.68	8500	...	...	1.68	1.00
Que. Pros.	.	...	...	..	..	..	..	...	...	6.00	3.95
Rouyn C.	.	...	...	3.85	3.69	3.85	5290	...	...	3.85	2.50
Rouyn	1	...	...	2	1¼	2	3100	9	1¾	5	1¼
Rouyn, Que.	1	...	...	1¾	1¾	1¾	5000	4½	1¼	4⅜	1½
Ribago	.	...	...	15	14	14	4700	..	..	87	14
South Keora	1	...	...	..	..	..	....	35½	5	64½	10
Stadacona	1	...	...	22½	16½	17½	90400	51	40	55	13
St. Anthony	.	...	...	32	32	32	1500	..	..	37	10
Sylvanite	1	...	...	4.10	3.55	3.95	13060	...	...	439	2.60
Teck Hughes	1	10	1.29	7.77	7.51	7.51	65375	5.55	2.65	8.10	5.35
Timiskaming	1	...	...	5¾	5½	5¾	2500	15¼	6	7	5
Thomp. Krist	1	...	...	..	..	..	.....	3½	1	1	½
Tough Oakes	1	...	...	50	44	46	65000	66	36	62¼	38
Towagmac	.	...	...	4.12	3.50	3.90	13625	6.10	3.15	5.75	2.85
United Cap.	.	...	...	4.50	4.30	4.50	11565	...	...	4.50	3.10
Vic. Silver	1	...	...	5¼	5	5⅛	9000	96	3¼	14	4¼
Vickers	1	...	...	44	41	44	2000	1.22	.13	1.52	.35
Vipond	1	...	...	1.08	90	90½	93273	2.02	1.49	1.75	.90
Waite Mont.	.	...	...	..	..	..	....	...	...	8.75	8.50
Wakenda	1	...	...	3	2½	2½	4000	2¾	1	5	2
Wasapika	1	...	...	1	1	1	5500	4	1	2	1
West Tree	1	...	...	3	3	3	500	4	2	4	2
Wettlaufer	1	...	...	3¼	3	3	3500	10	2	3¾	2
Wigwam	1	...	...	..	..	..	....	32¼	4	4	3
Wright Har.	1	37½	..	..	..	..	....	10.00	7.75	12.10	9.35
Do., new	.	...	...	6.10	5.75	6.05	33729	..	..	6.65	5.75
Vac. Gas.	.	...	...	14¾	14	14	3000	..	..	26	3

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CASTLE EARNED 7½ CENTS PER SHARE DURING PAST YEAR

Surplus Now Stands at 25 Cents — Silver Price Hurts

Castle-Trethewey silver mines, operating in Gowganda, had an operating profit of $158,484, before making tax and depreciation provision, for the year ending March 31. Tax provision was $7,154 and depreciation, etc., $59,418, leaving $91,912 to add to surplus which now stands at $493,434 or 25c. per share. Earnings in 1927 per share, after taxes, but before depreciation, were 7½ cents per share. Current assets of $389,495.73 included $150,000 Dominion of Canada bonds at par and $3,438.75 accrued interest thereon, as well as $145,228.36 of silver concentrates in transit and on hand. Fixed assets were shown to the amount of $2,155,791.33 and operating prepayments at $1,943. Current liabilities amounted to $53,796.05 and capital liabilities to $2,493,434,01, the latter item made up of the $2,000,000 capital stock issued and the surplus mentioned above. A note in the statement says, that $200,000 preference stock has been redeemed.

During the nine months period, the mill treated 29,136 tons for a total production of 762.861 ounces, said President J. P. Bickell in his remarks.

"Turning to the summary of operations," he continued, "you will note that, although our development work was greatly increased during this period, costs of production were slightly lower. The price obtained for silver was about 10c. per ounce less than during last year and our profits were decreased accordingly.

"A considerable portion of our work during the period was of an exploratory nature for the purpose of testing new areas and investigating indications of a promising nature adjacent to the main ore bodies. In stoping certain blocks of ground the amount of ore actually recovered was less than the estimated content, and we are forced to the conclusion that the methods used in arriving at previous estimates of ore reserves, cannot be depended upon to take care of all contingencies incident to the mining of erratic ore deposits in the diabase formation. From results obtained in stoping operations during the last nine months it would now appear that last year's ore reserves were overestimated to the extent of possibly twenty per cent. On the other hand, the mine is in good physical condition and the development of high-grade ore on the 700-ft. or bottom level, at a distance of more than 600 feet from the upper contact, is not only important in itself, but suggests the possibility, if not probability, of these ore deposits continuing through the diabase sill to the lower contact.

"It is planned to continue capacity development from the No. 3 shaft, and, having completed the sinking of No. 1 shaft to the 450-ft. level, we are now in a position to aggressively develop this southern area.

"By-law No. 12, changing the location of the company's head office from Toronto to the mine office at Bestel, will be submitted for your approval at the annual meeting."

During the period the revenue from the sale of silver was $389,307.42 and from cobalt, $3,068.60, said the report of Angus D. Campbell, manager. The total footage of drifts, raises and winzes was 5,724 lineal feet and the percentage of this footage in ore was 14.3. The cost per ton milled was $9,585 or $0.366 per ounce.

Production

	*1927	1926	1925
Concentr's, tons	259.8	323.25	317.70
Oz., per ton	2,946	3,091.21	2,979.63
Oz. received	762,861	999,234	927,088
Price per oz., cts.	37.65	67.89	68.03
Revenue	$389,307	$657,843	$633,139
Cobalt, lbs.	22,672	30,879	29,149
Revenue	$3,069	$ 5,315	$ 4,553
Oper. rev.	$392,376	$663,158	$637,712

*9 months.

R. J. Ennis, consulting engineer, states that because of the erratic occurrence of ore in diabase veins it has been decided not to estimate reserves. In 1925 estimate was 71,859 tons, 35.4 ozs., total 2,540,376 ozs. This worked out fairly well. 1926, 86,615 tons, 31.2 ozs., total 2,701,655 ozs., and this did not work out satisfactorily at all.

Half Mile Deep

Kirkland Lake Gold proposes to continue to show the way to other operations of the camp, in going down. Work is now being done on the 2,475-ft. level, which is around 400-ft. deeper than Teck-Hughes, 875-ft. deeper than Lake Shore and 975 ft. deeper than Wright-Hargreaves. When the vein is opened the shaft will again be deepened and one more level, 2,600 ft. will put the workings within 40 ft. short of half a mile vertical depth.

FINANCIAL STATEMENT OF THE CASTLE TRETHEWEY MINES

	*1927	1926	1925	1924	1923	1922
	$	$	$	$	$	$
Bullion recovery	426,929	683,601	637,712	229,657	41,147	28,000
Carried on balance sheet	......	......	......	......	......	94,818
Miscellaneous income	10,773	4,228	4,568	18,165	6,253	......
Gross revenue	437,702	687,829	642,280	237,821	47,400	122,818
Operating costs—						
Mining developments	161,581	218,107	121,715	68,252	87,794	18,315
Tramming and hoisting	27,596	30,736	60,969	10,670	10,198	3,472
Milling	33,918	66,983	62,798	13,333	......	......
Crushing and conveying	......	......	......	2,162	......	......
Smelting, ref., shipping	26,152	36,675	35,521	7,678	599	1,180
Other camp expenses	1,358	5,621	14,947	2,203	7,632	1,641
Sorting	......	......	......	1,172	1,859	766
Shipping	......	......	......	2,287	434	219
	250,606	358,123	295,950	107,759	98,516	25,593
Admin., man. and gen.	12,170	15,111	17,622	9,414	14,396	4,958
Corporate, head office	12,663	18,812	16,398	3,942	2,001	4,001
Insurance	3,396	4,012	4,122	1,688	1,106	1,039
Taxes, rentals	383	896	1,357	647	161	101
Total costs	279,218	396,954	335,449	123,449	116,180	35,692
Tax reserve	7,154	16,552	14,963	......	163,599	87,125
Net profit	151,330	274,323	291,868	114,372	......	......
	437,702	687,829	642,281	237,821	163,599	122,818
ASSETS						
Current—						
Cash and bonds	201,309	134,610	11,184	411	20,691	83,317
Silver concent.	145,228	117,379	101,623	135,275	5,565	28,000
Accounts receivable	1,818	2,447	1,267	10,516	2,233	157
Supplies	41,140	34,985	36,199	20,554	10,780	7,859
	389,496	289,421	150,273	166,756	39,269	119,332
Fixed—						
Mining property	1,839,095	1,839,095	1,839,095	359,100	359,100	359,100
Plant and equipment	329,215	279,111	242,789	56,907	44,640	40,900
Added during year (net)	38,482	50,104	40,341	189,717	14,967	3,740
	367,697	329,215	283,131	246,624	59,607	44,640
Depr. reserve	115,647	82,717	39,305	......	......	......
	252,050	246,497	243,826	......	......	......
Equip. sold and scrapped	......	......	4,020	3,834	2,700	......
	......	......	239,806	242,789	56,907	......
Net adv. N. Can. Power	64,647	73,165	......	......	......	......
Dev. undistributed	......	......	......	53,438	163,599	94,818
Insurance prepaid	......	......	......	187	677	506
Discount stock sub.	......	......	......	......	1,439,995	1,439,994
Oper. prepayments	1,943	3,001	2,312	628	......	......
Discount shares sold	......	......	......	1,479,995	......	......
Total assets	2,547,230	2,451,179	2,231,486	2,302,893	2,059,547	2,058,391
LIABILITIES						
Current—						
Payrolls	7,796	6,956	5,748	4,341	1,938	1,548
Accounts	15,806	13,248	25,531	17,792	4,517	2,670
Prov. for sundry accounts	8,786	8,728	7,300	670	92	1,173
Owed bank	......	......	......	27,090	......	......
Tax provisions	21,408	20,726	13,171	......	......	......
	53,796	49,658	51,750	49,893	6,547	5,391
Capital liabilities—						
Capital stock issued	2,000,000	2,000,000	......	......	2,000,000	2,000,000
Contingent liability	......	......	......	......	53,000	53,000
Redeemable preferred	......	......	200,000	200,000	......	......
Less—Pref. stock red.	......	......	198,000	......	......	......
Deferred liability	......	......	......	53,000	......	......
Common	......	......	2,000,000	2,000,000	......	......
Surplus	493,434	401,521	178,536	......	......	......
Total	2,547,230	2,451,179	2,231,486	2,302,893	2,059,547	2,058,391

*9 months to March 31, 1927.

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SUDBURY KEEN ON FUTURE OUTLOOK OF AREA; BIG EXPANSION

(Continued from page 25)

geologist, will this year make a study of the area and may embody the latest information in a new map. This geology is now being extensively studied. The fact that nickel-copper has been found in the north and south belts or edges of this formation, as well as in various places around the bowl, has led many to suppose that the same may hold true of the lead-zinc formation and this has intensified the search.

There are many Sudbury prospectors and business men who have been holding nickel claims for years and they have been keyed up to quite a pitch recently because many of them have been asked to option some of their holdings. There is a feeling abroad that the Timmins interests are planning to enter the camp, as it is known that interests associated with Mr. Timmins have large holdings throughout the area. In addition it is said that other interests have been in the camp securing options.

Notre Dame Gold Mines Work is Progressing

From Our Own Correspondent.

MONTREAL—The management of the Notre Dame Gold Mines has received a report from E. Bregent, mining engineer, covering the operations on its properties since the beginning of March. The report states that the Rouyn claims have been cross-sectioned prior to an electric survey of these holdings.

A grab sample taken in a trench on the property showed a yield of $17.21 to the ton, most of the value being made up by the gold content of the sample ore.

Trenching operations have revealed an excellent showing of high grade copper ore. The results to date are of an encouraging character. The company is commencing immediately the work of cross-sectioning and surveying its Montbray and Joannes claims.

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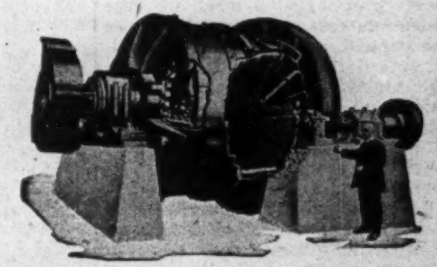

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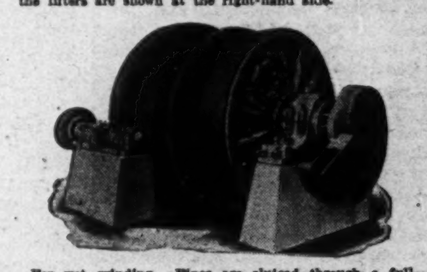

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B.C. Mineral Industry Prosperous; Expanding in a Remarkable Way

(Continued from page 25)

tario output. The decline in the price of silver may have some effect in possibly retarding future production in the Slocan district, where in many of the mines, silver is the most important value in the ore. But approximately eighty per cent. of the silver production of the province comes from mines in which the silver value is of less importance than the other metals, such as gold, copper, lead, zinc, contained therein. While the decreased revenue from a lowered silver price is to be regretted for those mines, no material lowering of production in the future may be anticipated as a consequence.

Production of gold (including placer gold) has averaged about $5,000,000 annually during the last three years. No great increase is expected, but as much gold is recovered as a by-product of copper mining the outlook is favorable for an increase from that source. There is also increased development activity in certain gold-quartz camps.

Coal mining has not been in a particularly flourishing condition in recent years chiefly owing to the competition from fuel oil, but the outlook now is believed to be better than for some time past. Last year there were produced 2,330,036 long tons valued at $11,650,180 compared with 2,328,522 tons of a value of $11,642,610 in 1925.

Building Materials

The increase in the value of structural material to a total value of $3,342,545 is indicative of increased building and general business activity throughout the province. This is a branch of the mineral industry that from the point of view of raw materials is capable of unlimited expansion. As the market for these products is practically a local one, the industry can only grow with increases in the population and expanding business activity. Another infant part of the mineral industry is the mining of miscellaneous minerals. Hon. Mr. Sloan's report shows the output in 1926 to have been $332.583 or over twice that of the preceding year. Attention is now being directed to the possibility of utilizing certain non-metallic minerals in connection with various manufacturing industries.

A very definite indication of a healthy mining industry is the carrying on of both prospecting and development of mineral properties, and in this respect 1926 was a satisfactory year, states Hon. Mr. Sloan. Development has been carried on intensively and much success has been attained. It may be conservatively stated, he reports, that the total known ore reserves of the province at the present time are greater than at any previous time, notwithstanding the fact that nearly one billion dollars worth of mineral has been extracted since mining commenced. This development work has been general in all the mineralized sections of the province.

New Discoveries

The most important new discovery during 1926, the Minister's report sets forth, was one eight miles from Topley, fifty-nine miles east of Smithers, on the C.N.R., a showing which has only been slightly developed as yet but reports indicate that it may prove to be a large body of ore of milling grade, with values mainly in silver and gold. Another property in the north-eastern district, which is not quite a new discovery but which received attention in 1926, is the Ferguson group, situated near Fort Grahame, on the Finlay River (where it is reported there is an exceptionally large surface showing of silver-lead-zinc ore). An important new silver-lead discovery was that of the Prosperity group, Portland Canal section, a property which has been bonded by the Premier Gold Mining Company. An interesting experiment in scientific large-scale prospecting has been initiated by the Consolidated, Mining and Smelting Company of Canada, in searching for phosphate deposits in East Kootenay. The company has announced that some success was attained in 1926 and that the work will be actively carried on in 1927. If suitable deposits are found, the company will enter the fertilizer manufacturing business, utilizing the unused sulphur content of the Sullivan ore to make sulphuric acid for treatment of the raw phosphate. The success of these plans would mean a new and important industry for the province.

Metal Prices

Metal prices generally in the world's markets in 1926 were somewhat lower than during 1925. The following table shows comparative average yearly prices for the years, 1924, 1925 and 1926:

Year	Silver (New York) Cents per oz.	Copper (New York) Cents per lb.	Lead London Cents	Lead New York per lb.	Zinc London Cents	Zinc New York per lb.
1924	x66.78	x13.02	6.844	x8.09	6.706	x6.84
1925	x69.065	x14.042	x7.848	9.020	x7.892	7.622
1926	x62.107	x13.795	x6.7513	8.417	x7.4096	7.337

xPrices used in compiling total metal valuations in 1924, 1925 and 1926 Annual Reports.

About the end of September, Hon. Mr. Sloan states, a serious decline commenced in the market price of silver and in a short time the price had dropped to about 51½ cents an oz., a big decline from the average price in January of 67.79 cents an oz. A recovery to 54 cents an oz. took place by the end of the year. The future of silver seems uncertain, with the possibility of the present low-price level being maintained for some time. The prices of copper, lead and zinc, while slightly below last year's averages, are high enough to yield satisfactory profits to the miners, and the market outlook for these metals is excellent. The present prices or higher are likely to be maintained indefinitely.

Dividends

The following table shows the dividends declared by companies engaged in the mineral industry in the province during 1925 and 1926:

Company	1925	1926
Consolidated M & S Co.	$3,238,054	$5,234,700
Prem. Gold Mining Co	1,600,375	1,600,437
Howe Sound Copper Co.	x467,189	1,736,133
Silversmith Mines, Ltd.	125,000	200,000
Wallace Mountain Mines, Ltd. (Sally)	59,400	....
I. X. L.	21,600	....
Bell	88,000	48,510
Belmont-Surf. Inlet	312,500	437,500
Crow's Nest Pass Coal Co.	372,690	372,690
Clayburn Co.	20,000	44,000
Whatewater Mines, Ltd.	......	25,000
Rosebery-Surp. Mining Co.	....	25,000
Others	15,800	23,300
Totals	$6,320,608	$9,747,270

xThe Howe Sound Copper Copany is the holding company for the Britannia mine in British Columbia and the El Potosi mine in Mexico. Dividends paid by this company are therefore derived from the profits on operation of both mines, so that only part of the dividends paid, as shown, can be credited to the Britannia mine.

The above amount of $9,747,270 shown as distributed in 1926 by no means represents the total net profits earned during that year. In nearly all cases substantial sums are set aside from profits to the credit of surplus and reserve accounts. Profits accruing to private companies and individual mining enterprises as a rule are not given publicity as dividends as is the case with the large companies, so that no record of these profits, which in the aggregate are considerable, is available. Several companies made substantial profits in 1926 but did not declare any dividends.

Metallurgical treatment of ores in British Columbia in 1926 kept pace with the increased production and general activity that characterized the industry during the year. Existing plants were enlarged, improvements in efficient practice were made, and new plants were constructed.

Of the metallic mineral production of $51,863,534 approximately seventy-two per cent. was produced as refined metals within the province, twelve per cent. was produced for export as lead bullion and blister-copper, and sixteen per cent. was exported as crude ore or concentrate. A small production of refined metals is made at the Trail smelter from imported ores, principally from the State of Washington, U. S. A.

In the southern interior of the province practically all ore produced is concentrated, smelted, and refined within the province. In the coast district two large mines—the Britannia and Premier—ship the bulk of their production as concentrates to American smelters, although a part of the Premier output goes to the Granby smelter at Anyox, B.C. The Granby Company now mills and smelts all its own ore at Anyox together with any custom ore obtainable. The final product at Anyox is blister-copper, which is a product containing ninety-eight per cent. copper, together with the gold and silver contained in the ores treated. This blister-copper is exported to the United States for refining.

New Developments

The Ladysmith Tidewater Smelters, Limited, has been incorporated to carry out plans in connection with the re-opening of a plant on the site of the Old Ladysmith Smelter. The British Metals Corporation, of London, England, will be connected with the new company. It is planned to purchase sulphide ores and concentrates at the Ladysmith plant. The sampling plant at the Smelter is available for sampling ores. Plans for a concentrator and other equipment to handle ore purchased are expected to be carried out when necessary or supplies are available. A subsidiary company will be formed to acquire and develop promising mineral properties. All products of the Ladysmith plant will be handled by the British Metals Corporation.

New mills under construction in 1926 on the Dunwell, Toric, Duthie Mines property, and the Coronation are expected to be completed and production commenced in the present year. A further increase in capacity of the Anyox concentrator of the Granby Company to 3,000 tons a day is expected. New mills, or reconditioning of old ones, are planned for the Ruth-Hope, Lucky Jim and other properties in the Slocan district. The Sullivan mill of the Consolidated Mining and Smelting Co. at Trail. was brought up to a capacity of 4,000 tons a day in December of 1926, and further expansion by the same company is now being made at the Trail plant to cope with the heavy tonnage from the Sullivan mill, and also custom ore and concentrates. An eighty-ton addition is being made to the zinc refinery which will bring the capacity up to 280 tons a day early this year. A cadmium by-product plant is to be erected and the customs concentrator is to have its capacity doubled, when it will be capable of treating 600 tons a day.

An interesting development is the recovery of pyrite as a by-product in the milling operations of the Britannia. It is expected that an output of about 3,500 tons a month will be made in 1927 by this company, the product to be sold to sulphuric-acid plants in British Columbia and the United States for its sulphur content.

Hon. Mr. Sloan states the mineral industry of British Columbia is at the present time in a prosperous and healthy condition. The best evidence of this is to be seen in the keen interest in it now being shown and the ease with which capital is obtained for legitimate mining propositions. The greatest needs of the industry at the present time are: First, wide-spread prospecting of the known mineralized areas with more careful and exact methods than have been employed in the past, and, second, the testing of many dormant undeveloped mineral properties by companies strong enough financially to try out several in the hope of obtaining one profitable mine.

The annual report of the Minister of Mines is, as usual, replete with information covering every phase of the mining industry of the Province, and is profusely supplied with statistical tables, plans of leading mining properties, and gives full reports from the various resident mining engineers covering development in their respective districts. The report is compiled by Mr. John D. Galloway, Provincial Mineralogist, assisted by Mr. James Dickson, Chief Inspector of Mines, the extensive section pertaining to the coal mining industry and the inspection branch being covered by the latter official. In view of the great increase in interest in mining in British Columbia, the Minister's report will be welcomed by those interested in the mining industry of the Province.

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League of Nations Studies Wheat Pool

Canada, as Greatest Exporter of Wheat, Goes Furthest in Co-operative Marketing of Western Grain

When the World Economic Conference met at Geneva the delegates had before them a lengthy study of co-operative marketing systems throughout the world. The two outstanding systems, described at some length, were the Danish system of marketing agricultural produce by co-operative effort, aimed chiefly at the maintenance of high standards of quality, and the Canadian wheat pool.

Co-operative wheat marketing already predominates in Canada, states the report which says in part: The world output of wheat fluctuates round 100 million tons, only one-fifth of which is dealt with in international trade. The total exports of the exporting countries amounted for 1925 to 15,370,000 tons for wheat, and 3,070,000 tons for wheat flour. It may be added that about nine-tenths of the total exports are derived from a small number of countries, as below:

	Net exports (1925) Grain Tons	Flour Tons
Canada	6,039,706	912,790
United States	1,982,291	988,545
Argentina	2,993,371	137,350
Australia	2,688,119	407,100
Total	13,703,487	2,445,785

Russia and Roumania, which before the war exported 4,100,000 tons and 1,300,000 tons of wheat respectively (average 1909-1913), have only partially regained the position they formerly held in the international wheat trade.

In all the chief exporting countries, though as yet to a very slight extent in Argentina, the co-operative organizations of wheat producers play a part of growing importance in the export trade. They already predominate in Canada and Australia, where, during the past year, the co-operative exports formed two-thirds of the total exports.

In order to demonstrate the nature and importance of those recent developments it is necessary to distinguish two stages in the evolution of the co-operative organization of wheat producers.

First as Elevator Associations

In the first stage the producers form local or regional associations to exploit and manage in common an "elevator," where all the machinery needed for cleaning, grading, and, if necessary, drying the grain is available. The grain may also be stored at the elevator. Incidentally, the co-operative may undertake on commission the individual selling orders of its members, but even in this case it remains essentially a warehousing and grain-handling co-operative.

In the second stage, on the contrary, the producers delegate to the co-operative the marketing functions they formerly performed individually. Thenceforward the individual output of the members, as soon as it has been received, weighed and graded, is pooled with other output of the same quality, and the co-operative undertakes to market the total quantity accumulated. It pays to each member an immediate sum on account, and then subsequent instalments, ending the operations with a final payment which secures to each member an average price, regardless of the circumstances of time and place in which his particular harvest may have been sold.

Now Called Pools

The method briefly described above is characteristic of the marketing co-operatives which, on the earlier model of Danish co-operative societies, began to be formed in 1900 among the fruit growers of California and have since gained much ground, chiefly in the United States and Canada. In these two latter countries, as in Australia, these co-operative organizations for joint marketing are generally known as "pools," the term being taken in the technical sense of a pooling of products and the payment to all the members of the average price obtained by the co-operative organization. The application of this method involves as a rule, an obligation on the members to deliver, during a specified number of years, their total crops to the co-operative society.

The perfected organization of the marketing co-operatives is particularly adapted to the need for disposing of the produce in distant markets. In point of fact, these co-operatives have been most widely adopted in the export countries, as for instance in Denmark and other countries exporting dairy produce, and in Canada, to-day the greatest exporter of wheat.

Canada's Wheat Pool

Owing to its relatively small population, Canada has to export about 70 per cent. of its wheat output. The large distance between the producing areas and the ports and markets have made it necessary to create a very complete machinery of means of transport, warehousing, commerce, and banking. This machinery has been developed both under the influence of the very requirements of the trade and under the pressure of the farmers. The latter had to fight the combined interests of the railways and the elevator companies inch by inch to acquire storing facilities and a free road to the markets. Their struggle may be divided into three periods, for the farmers passed through the successive stages of legislative action, the organization of elevator co-operatives and, finally, during the last few years, the organization of marketing co-operatives.

1. The first period of the struggle culminated in 1899 in the nomination of a Royal Commission. The report of the Commission and the continued pressure of the farmers led to the adoption in 1900 of the Manitoba Grain Act, which was subsequently amended and completely revised in 1912 under the name of the Canada Grain Act. The principal object of this law was to enable the farmers to escape from the clutches of the elevator companies. It made it possible for them to deliver their grain right up to the "terminal" market, and governed the conditions under which the operations of grading, sampling and transporting the grain were to be carried out.

Formed Elevator Companies

2. The progress made under this legislation was insufficient to allay the discontent of the farmers. They formed associations in the three prairie provinces of Alberta, Manitoba, and Saskatchewan, and demanded that the Governments of these provinces should construct public elevators. This was conceded in Manitoba, which passed an Act in 1910 providing for the buying and management of elevators by a board of three commissioners. The Manitoba Government thus acquired 175 elevators, but after two years it gave up the undertaking and leased the elevators to the United Grain Growers Limited, which had been formed in the meantime by the farmers. This company amalgamated in 1917 with a co-operative of a similar type set up in 1919 in Alberta.

In the province of Saskatchewan the government recommended instead of public elevators the organization of a society run by the farmers. It also offered to advance 85 per cent. of the cost of constructing the elevators considered necessary, on condition that the farmers would subscribe the balance. In this way the Saskatchewan Co-operative Elevator Company was formed in 1911. Between 1900 and 1910 a considerable number of local co-operative elevators were constructed, but most of them were gradually absorbed either by the Saskatchewan Co-operative Elevator Company or the United Grain Growers Limited. Within a few years these two great farmer-owned companies became the largest handlers of wheat in Canada. In 1925 the former owned 452 local elevators and at Fort William-Port Arthur terminal elevators with a total capacity of 15,175,000 bushels, representing one-fourth of the total capacity of the terminal elevators, where a large proportion of the grain output of Canada is collected before export. The Saskatchewan Co-operative Elevator Company recently ceded the whole of its plant to the wheat pools, which are now characteristic of the organization of farmers in Canada.

3. During the war the whole organization of the marketing of wheat in Canada passed into the hands of two bodies, the Wheat Export Company and the Board of Grain Supervisors. The Wheat Export Company acted on behalf of the British and Allied Governments and was therefore principally an organization of consumers. The Board of Grain Supervisors on the other hand, consisting of the chief members of the Winnipeg Grain Exchange and representatives of the farmers and governments of the different provinces, governed the movement of wheat within the country and fixed the prices on which the farmers and wheat export companies could agree.

Present Form of Organization

When this twofold form of organization was abolished in July, 1919, a new Wheat Board was set up under the authority of the Dominion Government to market the 1919 crops. The following year's crops were marketed in the ordinary course of trade, but the collapse of grain prices in 1920-1921 induced the farmers to demand the restoration of the Wheat Board. This demand was refused, and they therefore sought other means; by 1923 they agreed in favor of the idea of organizing voluntary boards. Thus co-operative marketing societies, on the pooling principle referred to above, were created in Alberta in 1923, and in Manitoba and Saskatchewan in 1924. These three provincial co-operatives subsequently formed a joint agency, known as the Canadian Co-operative Wheat Producers Limited. The number of farmers thus grouped in a central selling agency through the medium of the provincial co-operatives, which are themselves subdivided into local associations, is at present 127,200. They are bound by five yearly contracts to deliver their total crops to the selling agency representing a cultivated area of 10,018,756 acres in 1924 and 14,091,308 acres in 1925, or 50 per cent. and 67 per cent. respectively of the acreage under wheat in the three prairie provinces together. The wheat handled by the agency in the crop year 1924-1925 amounted to 81,700,000 bushels, or 2,200,000 tons, and in the following year to 187,500,000 bushels or nearly 5,100,000 tons. The size of the latter figure is seen to be more striking when it is remembered that it represents two-thirds of the wheat exports of the Dominion and over one-fourth of the total wheat dealt with in international trade.

From the very first the Canadian Co-operative Wheat Producers Limited set out to carry out its programme of direct relations with the grain milling industry, both in Canada and in the importing countries. For this purpose it set up an office in Toronto for direct sales to Canadian millers, one in Paris for sales to French millers, and two others, one at Calgary and the other at New York, for superintending shipments from Vancouver and the United States ports. It has at present 36 agencies in the importing countries, and it was stated at the beginning of 1926 "that 65 per cent. of the wheat marketed by the central selling agency was handled entirely apart from the grain exchanges."

These vast operations, which are likely to lead to profound changes in the conditions of the wheat trade, were made practicable firstly by the arrangements with the elevator companies referred to above, on the basis of the arrangements made with the Dominion Wheat Board in 1919, and secondly by the credits granted by the eight principal Canadian banks. These credits allow of payments by instalments, which is an essential part of the pooling system.

Problems of Co-operative Marketing

In order that the present report might be kept within the proposed limits, the information given on co-operative marketing societies has been confined to that needed to bring out the important part they may, and already do, play for certain articles of international trade.

The different ways of applying co-operative methods to the marketing of various agricultural products according to their perishability or distance from the place of consumption or according to whether demand is seasonal or not; the transformations which the gross farm produce must undergo, and the industrial processes which may therefore usefully be included in the functions performed directly or subsidiarily by the marketing co-operatives; the federal or centralized structure of the associations; the part played by the local groups and the obligations of members; the reflex influence of joint selling on the producer himself, his working methods, and the quality of his produce—all these questions, including those of the social aspects of the movement, the reciprocal action of education and the development of social conditions on the economic efficency of co-operative undertakings, have been the subject, especially during the last few years, of numerous investigations, based on the experience of the past and contemporary experiments.

The principal conclusions of these investigations can be indicated only in outline without the shades and distinctions necessary for so complex a material.

Aim of Co-operative Marketing

The aim of agricultural co-operative marketing societies is twofold, being in the first place the regular and certain marketing of the produce and secondly, the stabilization of prices at a level corresponding to the expenses incurred by the producers and their families as determined by the prices of other products. This twofold end can be achieved only by a co-ordinated body of methods which relate not only to the organization of the marketing of the products but also to the products themselves.

It is true that a co-operative marketing society, by bringing together the output of its members, may strengthen their position as sellers by substituting joint sales for their individual sales; it may strengthen and extend their markets by a careful study of the demands of the centres of consumption and endeavor to limit price fluctuations by making their deliveries at all times correspond to the actual demand; they may also improve the physical conditions of distribution by improving the methods of packing, preservation and transport, and for certain articles by the co-operative organization of the initial processes of industrial transformation. But all these methods cannot operate fully unless from the outset, already when the products leave the associated farms, their qualities and the conditions in which they are presented are such as to facilitate marketing and allow of economies in the various stages of distribution.

Middleman Less Efficient

Further, even in the absence of co-operative organizations, the conditions of marketing already exert an influence on those of production by the agency of middlemen, in so far as the latter finds an opening to make a profit. This influence of intermediate traders, however, is far from being as efficient as the co-ordinated intervention of a marketing co-operative. This is exercised in two directions. On the one hand the marketing co-operative is in a position to make its members act on its advice and submit to supervision for improving the methods of cultivation, harvesting, etc.; on the other hand it may assist the individual farms by organizing joint supplies of selected seed, fertilizers, parasite destroyers and preventives, etc. In this way it can arrange that the stock of individual products thus brought together shall form a homogeneous mass, possessing the qualities which, besides satisfying the demands of the consumer, reduce the costs of grading, preservation and transport to a minimum.

The co-operative marketing societies must obviously supplement these efforts to improve the product by a certain commercial strategy. They try to obtain control over supply by securing the general support of the producers concerned, or at least of the large majority. Such control will be used by the co-operative to regularize the quantities offered for sale, account being taken of the variations in markets due to situation and date. But any effort to go further than the improvement of methods of marketing and to fix monopoly prices seems condemned to failure.

Some Dangers Shown

William R. Camp, in a study submitted to the annual meeting of the American Academy of Political Science in October, 1925, remarks that : "Growers individually are inclined to give greater weight to all bullish factors and may even handicap the management by understating their crop in order to influence the management to set a higher opening price. But experience has shown the management in those associations which can determine seasonal prices, as in dried fruits and nuts, that if prices are set too high it may be impossible to move all the products to market during the year and that any carry-over is likely to have a most depressing effect upon the next year's opening price."

It should also be observed that raising prices may not only reduce consumption, but also increase the area under cultivation and thus lead to an increase in production which may overburden the market. Now, an increase in production, not intended to satisfy an increase in demand, but due to an arbitrary rise in prices, has the contrary effect to that desired, which is to establish and maintain a stable equilibrium by satisfying the demands of consumers as regards both quality and quantity.

London Takes Up Massey-Harris

MONTREAL.—Reports from London indicate a ready absorption of Massey-Harris common shares on the London stock exchange. A sizeable block of these shares was listed a short time ago. It was the first time that the listing on the Montreal exchange was accepted as credentials for a stock's entry into the English market.

Special information of interest to shareholders of

Brownlee and Noranda

will be forwarded upon request without any obligation.

AETNA SECURITIES Limited
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Toronto, Ont.

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Eleven Times What It Was Eleven Years Ago

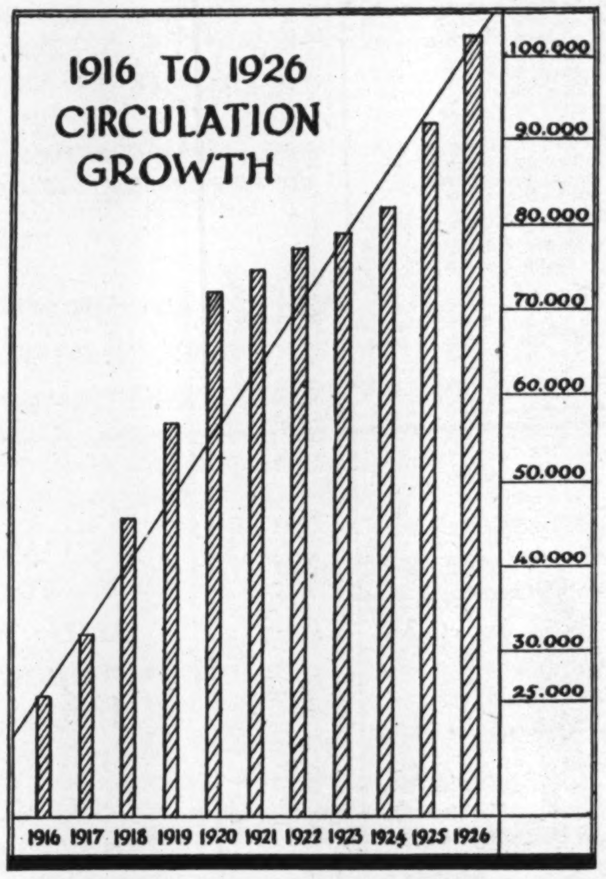
The past few years have been universally looked upon as severe tests of the basic soundness of any business structure or industrial institution.

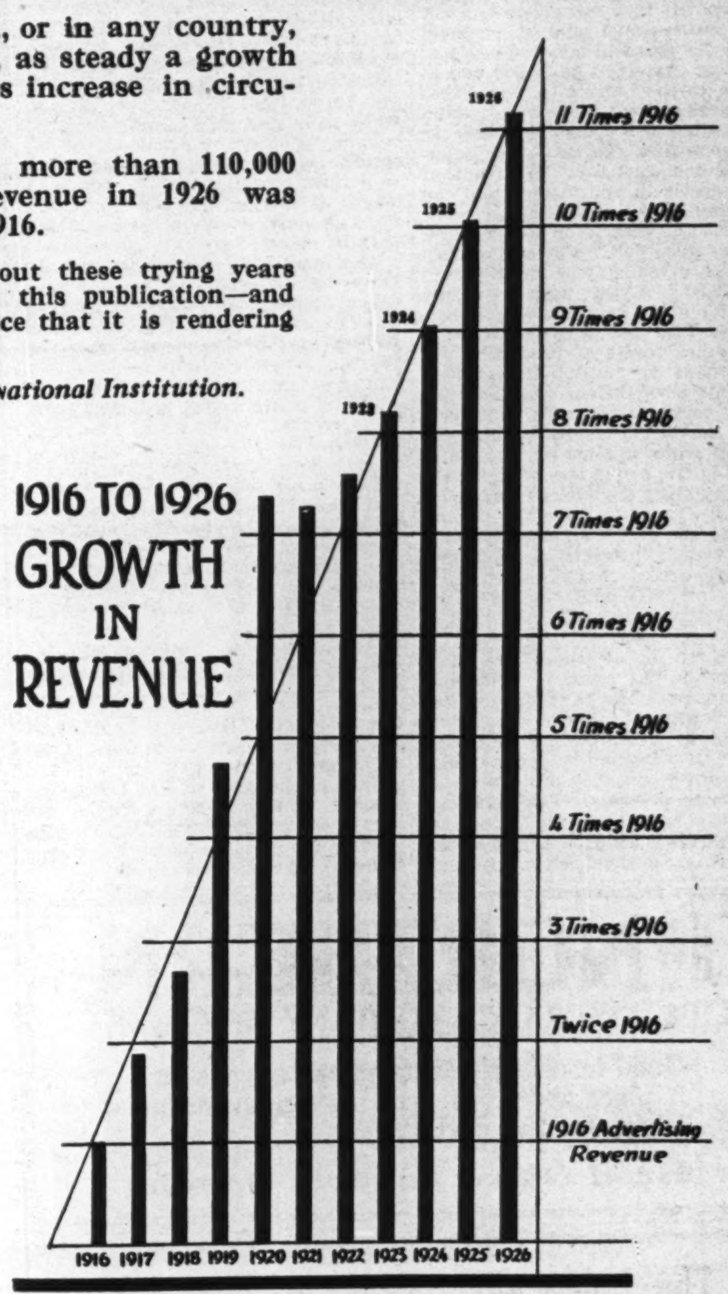
FEW industries or institutions in Canada, or in any country, can show, during the past eleven years, as steady a growth as MacLean's Magazine, as indicated by its increase in circulation and advertising revenue.

The circulation has grown from 25,000 to more than 110,000 copies each issue; and the advertising revenue in 1926 was more than Eleven Times what it was in 1916.

This remarkable and consistent growth throughout these trying years is evidence of the soundness of the policy behind this publication—and proof of the valuable and highly satisfactory service that it is rendering to readers and advertisers alike.

—MacLean's is more than a Magazine, It is a National Institution.





1927 Best of All

The first three months of 1927 show another tremendous and most gratifying advance in advertising volume—an increase of 23 per cent. over the first three months of 1926

"It Grows *because* It Serves"—MACLEAN'S
CANADA'S NATIONAL MAGAZINE

Insurance for Buyer and Seller

GOLFERS NEED NOT WORRY OVER STRAY SHOTS, IF INSURED

Comprehensive Policies Cover All Hazards Except Bunkers

What's this?" says the Oldest Member, reading from a little pamphlet that he had picked up in the locker-room, "A golfer's comprehensive policy—never even heard of it before!"

Grassy greens, bounding ball, and flapping flag alike proclaim that the 1927 golf season is off to splendid start. Golf is rapidly becoming a universal pastime, and with the spread of municipal links in most of the important cities of the Dominion, the cause of the insurance underwriter and the golfer seem to go hand in hand. Golfer's liability insurance is being written in Canada by four or five companies, and although it is as yet in its infancy, the tremendous growth of membership among the Canadian clubs, seems to point to an increasing need for this form of protection among golfing enthusiasts.

Let's see what the Oldest Member was reading about.

Different Kinds of Protection

Just as in other lines of insurance, there are more ways than one in which the golfer can purchase protection for himself and his clubs, while he is on the links. Broadly speaking, there are about five risks which are being written by the insurance companies, and which together afford practically complete coverage for the golfer, whether he be a tyro or a professional. The five heads are briefly, breakage of clubs; personal accident; liability for personal injury or property damage; fire and transportation insurance.

As far as Canadian experience is concerned, the feature that has appealed particularly to golfers is the protection against the breakage of clubs. Two companies include this provision in their policies, but the risk cannot be provided for separately, but must be taken along with the other forms of coverage. The only restrictions on the golfer are that the damage must be accidental and must occur whilst in the course of play on any recognized golf course. Perhaps the most attractive feature of the policies is the fact that they offer protection to the insured, not only on his own course, but upon any course in Canada or the United States. One policy even covers the insured in any part of the world.

Protection on Liability

An equally important feature which is perhaps the basis for this kind of insurance, is protection against liability for injuries to persons or damage to the property of others.

"O, many a shaft at random sent,
Finds mark the archer little meant!"

Some companies include both forms of protection in their policies, while others insure only against personal liability for personal injury. The usual amount of protection is $5,000 and in addition to the indemnity, it relieves the insured of the trouble of adjusting or defending any claims that may be made upon him. To quote the argument of one company: "With one of these policies in your name, you can play your game with the carefree abandon so necessary for proper recreation and good golf." The cost of such protection if taken alone, usually runs about $3.00 per year, with a cut-rate figure for a two or three-year policy.

Cover Fire and Transportation

The other forms of protection are not perhaps so important as these two, but nevertheless they protect against very real hazards. The protection against personal injury, insures the golfer against the two major risks of death, or the loss of sight; the indemnity being anywhere from $2,000 to $5,000, depending upon the circumstances. The fire and transportation risk coverage protects against fire, anywhere except in ones own home, and against loss while in the hands of a common carrier either on land or sea.

Taken all in all there are more "hazards" in the game of golf, than mere bunkers. The chief risks on the links are probably due to overcrowding, and as overcrowding increases, whether on municipal or private links, the need for suitable protection becomes more pressing. Taking all the risks that have been mentioned, the cost as a rule is about $9 or $10 a year, for a comprehensive policy. Already the provinces of British Columbia and Quebec have shown a considerable demand for this protection, and with the growth of the game and an increasing amount of educational work on the part of the underwriters, this coverage should take its place among the newer branches of casualty business.

Group Insurance Will Make State Insurance Schemes Unnecessary

By ARTHUR PEDOE, F.I.A.,
Actuary, Continental Life Insurance Company, Toronto.

Forty out of every hundred workers, who die while actively engaged in industry, leave their dependents penniless. These figures have been obtained by various life insurance companies when investigating the payments made under group policies. Out of the millions paid to the widows and orphans of workers 40 per cent. went into homes where no other provision had been made and but for group insurance the family would have been left destitute.

Group insurance was not a product manufactured first and then a market created for it. It arose out of the actual demand by employers for some sort of a blanket policy whereby their employees could be covered so that in the event of death of a worker a sum could be paid to his dependents. Group insurance arose in revolt against the oft-recurring incident of "passing the hat round" when a worker died leaving his family destitute and his fellow employees and employers were called upon to relieve the immediate need. How often this occurred can be understood from the above figure.

Problem of Manual Worker

The manual worker is in an unfortunate position with regard to life insurance. He cannot be canvassed during his working time and he is not in a mood for being canvassed in the evening after his trying day's work. Further, he can only pay for life insurance in the same manner as his wages are paid, necessitating weekly calls by a collector and resulting in a higher cost to him of his life insurance than is paid by the other classes of the community.

Life insurance has been here faced with two great problems of modern industry—selling on the instalment plan and keeping the margin between manufacturing cost and selling cost low. Group insurance solves these two problems satisfactorily as regards life insurance. It is one year term insurance applied to the individuals of a group. The rate for each individual worker increases each year, but when the total premium for the average group of workers is computed from year to year it is found to remain fairly constant. This is on account of those dying or retiring being replaced generally by younger men, thus keeping the average age of the group fairly constant.

How Company Is Protected

As one year term insurance, group insurance provides protection at the lowest possible cost. No evidence of health other than that of being actively employed at the time the insurance is issued is required, but selection against the insurance company is eliminated to a great extent by insisting on at least 75 per cent. of the workers in any unit coming into the scheme. Further, the amount of insurance is definitely fixed according to a certain scale based on salary or length of service with a definite limit to the maximum insurance which may be obtained by any individual.

Originally the cost was entirely borne by the employer but the tendency has been towards larger amounts of insurance, with the worker paying part of the premium. The payment of premiums is made by the employer direct to the company, the workers' share being deducted from their wages. In this way, the cost of operating the plan is reduced to a very low figure although the insurance is purchased on the instalment plan. In an average industry where there is no special occupational hazard and where the cost is paid for equally by both employer and worker the cost to the worker for $1,000 protection is about 10 cents a week.

Although in its infancy, group insurance is making tremendous strides. It has only been actively written in the States since 1916 and in Canada since 1919. In the States the total group insurance in force exceeds five billions of dollars and in Canada the amount written in 1926 was double that written in 1925.

What is the employer's interest in group insurance? We have already mentioned that group insurance arose from an actual demand by employers. The growth of huge industrial concerns has destroyed the personal contact which formerly existed between employer and employee and group insurance has attempted to show the worker that the firm has an interest in the welfare of his dependents outside and in addition to the wages he is paid. There is a further interest much wider in scope and affecting the whole social structure of the country.

Group insurance is one of the seven subjects to be discussed at the International Congress of Actuaries in London, England, this June, and on the agenda it immediately precedes "Social Insurance" and is intimately connected with it. In Great Britain, a scheme of social insurance for payments to widows and orphans of deceased workers combined with a pension to the worker on attaining age 65 has been recently adopted. It is compulsory, the employer paying an equal contribution to that of the worker. The liability undertaken by the government in setting up the scheme has been computed as three and three quarter billions of dollars which will eventually entail payments by the state of nearly half a billion dollars each year on account of this liability in addition to the payments which will be made out of the contributions of the workers and their employers.

Will Avoid Need for State Scheme

It can hardly be doubted that unless some other means of obtaining adequate protection for the worker is developed there will arise in Canada an agitation for a similar scheme of social insurance to that in England and operated by the government. Group insurance has already been extended to cover sickness and pensions for the workers. Such additional benefits necessitate, of course, larger payments on the part of both worker and employer. Employers have to choose between developing plans of group insurance and group pensions for their workers or a scheme run by the state involving a tremendous expansion in government service with its consequent expense and the greater part of the cost of which will have to be borne by the employers directly by compulsory contributions and indirectly by increased taxation.

Asbestos Corporation is Bettering Its Position

From Our Own Correspondent.

MONTREAL.—The activity in the common shares of the Asbestos Corporation which resulted in some increase in the price at which the shares change hands seems to be traceable chiefly to the steady improvement in the position of the company over the last six months. It is understood that earnings are increasing and that during the month of April the net was twice as great as a year ago. This, however, is perhaps not quite as bullish a factor as would appear at first glance for it will be recalled that in April of 1926 the corporation was only in its initial period of operation and at that time substantial earnings were not anticipated due to the expenses and other charges arising from the consolidation of the various properties.

There have been, however, recent developments which indicate that the Asbestos Corporation of Canada may come into its own more quickly than was originally anticipated. The outlook for the future indicates some betterment in both the United States and European markets for the mineral.

Employers Liability

Employers Liability Assurance Corp., an English company which does a large business in Canada, last year had premium revenue of $30,890,635 and total revenue of $32,363,630. Total assets of the company are $32,363,630, of which $15,342,422 is invested in government and provincial securities.

Beginning Made on "Lab." to Test Canadian Goods

The Canadian Manufacturers Association at its annual meeting in Calgary this week, has discussed the question of the establishment of an underwriters' laboratory in Canada.

The insurance committee report stated: Suggestions have been revived recently that an organization should be started in Canada to standardize the inspection of materials and devices affecting fire hazards in a similar way to that in which such work is now done by the Underwriters' Laboratories of Chicago.

"Your Committee investigated these suggestions and secured a great deal of information by correspondence and interviews. Briefly, the position seems to be that while it would be most desirable to have all this work done in Canada, the great cost of establishing and maintaining adequate laboratories such as the Chicago laboratories has been the chief obstacle up to date. However, a beginning has been made in Canada in standardizing and testing materials, and it is hoped that in time, Canada will possess laboratories in which the greater part of standardizing the inspection of materials and devices affecting fire hazards can be carried out."

Silverwood's Enter Kitchener

Silverwood's, Ltd., is incorporating a company to operate an ice-cream and dairy plant in Kitchener. This will make the third new Silverwood plant established this year.

Provincial Government
Assay Laboratory
1430 ST. DENIS STREET,
MONTREAL,
May 6, 1927.
CERTIFICATE H - 160
Analysis of a sample of ore taken by
Notre-Dame Gold Mines
LIMITED
15A Notre Dame Street West,
Montreal
Sample marked No. "N.9," weighing about 2½ lbs.
Gold ..... 0.04 ounces per ton
Silver .... 7.00 ounces per ton
Copper ... 4.35%
Zinc 0.20%
These values average (at actual market price)
$17.21
to a ton.
A. MAILHIOT,
Director of the Laboratory.
True Copy.

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INTERNATIONAL NICKEL
An analytical study of this company has been prepared and we shall be pleased to supply a copy on request.
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Of every description effected with leading Insurance Offices.
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LIFE ASSURANCE COMPANY OF CANADA
Good insurance salesmen can always find a place with our growing organization. Write for full particulars.
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Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
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The DOMINION LIFE ASSURANCE COMPANY
Head Office: WATERLOO, ONTARIO

We Manage Syndicates and Small Companies
For a moderate fee—much less than a similar service might otherwise cost—a specially-trained staff will manage your business affairs.
May we explain this service to you?
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10-12 East King St., TORONTO
Branch:—REGINA

Current Events in Banking World

MONTREAL BANK REPORT REFLECTS BETTER BUSINESS

Earnings Increased Substantially — Balance Sheet Shows Business is Expanding

From Our Own Correspondent.

MONTREAL. — The mid-year income and balance sheet statement of the Bank of Montreal is an encouraging document both to the shareholders and to those interested in the development of business through the Dominion, revealing as it does a substantial increase in earnings and the strengthening of the bank's position.

The following figures compare the income account for the past six months with the same period of a year ago and for the fiscal year ending October 31, 1926:

	6 mos. end. April 1927	1926	Year end. Oct. 31, '26
Profits	$2,780,660	$2,469,326	$4,978,133
Gov. tax	199,583	194,583	319,167
Balance	$2,581,077	$2,274,742	$4,658,966
Dividends	1,795,002	1,795,002	4,188,338
Balance	$ 786,075	$ 479,740	$ 470,628
Prev. Balance	767,416	596,788	$ 596,788
Total	$1,553,491	$1,076,529	$1,165,458
Reserve for premises, etc	250,000	150,000	300,000
Profit and loss balance	$1,303,491	$ 926,529	$ 767,416

Balance Sheet Position

Changes in the balance sheet show an increase of over $2,000,000 in the current account deposits during the period. Savings bank deposits as compared with a year ago show an increase of some $30,000,000 and an increase of about $4,000,000 from the close of the last fiscal year. The total assets of the bank have increased by about $2,600,000 since the close of the 1926 year.

One satisfactory feature of the exhibit is the $22,000,000 increase in current loans as compared with the same period of a year ago. This indicates continued business expansion in the Dominion. Overdue debt account also shows a satisfactory reduction from a year ago and from six months ago.

The liquid assets of the bank amount to 61.77 per cent. of its liabilities to the public; this compares with a figure of 60.33 per cent. a year ago. Included in the liquid assets are cash holdings of $106,464,766, or equal to over 15 per cent. of the public liabilities.

Immediately Available Liquid Assets

April 30th	1927 $	1926 $	Change $
Specie	38,213,500	30,695,396±	7,518,104
Dom. Notes	49,251,266	43,825,261±	5,426,005
Note Cir. D.	1,420,788	1,282,241±	138,547
C. L. Ab'd.	132,790,128	124,783,231±	8,006,897
Bank Bal.	18,585,957	17,373,277+	1,212,680
Cheques	26,155,690	22,731,349+	3,424,341
Govt. Secs.	90,007,662	93,456,445—	3,448,783
Gold Res.	19,000,000	15,000,000±	4,000,000
Notes, Bk.	3,826,419	2,776,474±	1,049,945
For. Curr.	712,308	1,259,375—	547,067
	379,963,718	353,183,049±	26,780,669
% T. Assets	48.4	47.1+	1.3
% T. L. to Pub.	52.6	51.4	1.2
Other Assets			
Pub. Secs.	28,605,881	33,599,868—	4,993,987
Other Secs.	3,935,421	3,566,104+	369,317
Call Loans	16,906,144	17,713,425—	807,281
Current	249,470,229	227,325,605+	22,144,624
Elsewhere	51,983,927	56,334,269—	4,350,342
Non-curr.	2,115,102	2,694,858—	579,756
Mun. Loans	22,749,115	25,982,092—	3,232,977
Premises	11,800,000	11,950,000—	150,000
L. of Cred.	11,825,401	12,581,898—	756,497
Mortgages	1,187,640	1,338,704—	151,064
Real Estate	763,973	916,340—	152,367
Shares, Loans	2,302,960	1,414,029+	888,931
Other Assets	503,263	532,116—	28,853
	404,149,056	395,949,308+	8,199,748
Total Assets	784,112,774	749,132,357+	34,980,417
Liabilities to the Public			
Circulation	43,266,298	41,674,442+	1,591,856
Dem. Dep.	136,730,699	134,713,174+	2,017,526
Savings	519,848,016	489,464,334+	30,383,632
Due Banks	2,500,228	2,472,279+	27,950
Due Elsewhere	6,035,186	5,762,370+	272,816
L. of Credit	11,825,401	12,581,898—	756,497
Bills Pay.	642,389	61,426+	580,963
Other Liab.	1,220,331	729,134+	491,197
	722,068,548	687,459,057+	34,609,491
Liabilities to Shareholders			
Capital	29,916,700	29,916,700	......
Reserve	29,916,700	29,916,700	......
Dividends	907,334	913,371—	6,037
Balance	1,303,492	926,529+	376,963
	62,044,226	61,673,300+	370,926
Total Liab.	784,112,774	749,132,357+	34,980,417

Staff Gossip

A. M. Bain, of the Standard Bank, of this city, has been transferred to the Regina branch of the bank.—Intelligencer, Belleville.

* * *

T. Herrington, who was in the Standard Bank in Norwood, Ont., has been transferred to the local branch of the bank.—Intelligencer, Belleville.

* * *

Harold Stanley, formerly of the Canadian Bank of Commerce staff here, and recently of the bank inspector's office at Saskatoon, has been transferred to a branch of the bank at Portland, Ore.—Herald, Prince Albert.

* * *

A. G. Duncan, manager of the Oak River branch of the Bank of Montreal, and formerly the accountant in the Brandon branch of the bank, has been transferred to Armstrong, B.C.—Sun, Brandon.

Maritime Province Investments

Government Municipal Corporation Bonds

Inquiries Invited.

Eastern Securities Company Limited

Head Office—Saint John, N.B.
Halifax, N.S. Charlottetown, P.E.I.

Montreal—Transportation Bldg.

Betterment in Bank's Position Summarized

From Our Own Correspondent.

MONTREAL.—Profits of the Bank of Montreal for the half-year of $2,780,660 compare with $2,469,326 for the corresponding period one year ago, showing a gain of $311,334 or over 12 per cent.

Earnings on capital stock, after taxes but before the allowance for bank premises, represented 8.62 per cent. or a rate of 17.24 per cent. for the year compared with a rate one year ago of 15.2 per cent., and with earnings of 15.5 per cent. for the year ended Oct. 31, 1926; with 14.4 per cent. for the fiscal year of 1925 and with 14.8 per cent. for the year 1924.

Liquid assets of $427,990,376 compare with $406,780,203 of last year, representing 61.77 per cent. of total assets as against 60.33 per cent.

Savings deposits of $519,848,016 show an increase of over $30,000,000 compared with last year's total of $489,464.334.

Commercial or current loans of $249,470,228 are up $22,000,000 over the total for April 30, 1926, of $227,325,605.

Total assets of $784,112,774 compare with $749,132,357 one year ago.

RATING AGENCIES IMPRESSED WHEN BUSINESS INSURED

High Tribute Paid Life Insurance by Bradstreet's

Emphasizing the important place that business insurance is assuming as a means of protecting a business from the death of its chief executive, the Bradstreet Company pays this tribute to this form of insurance, and shows the value of a business insurance policy in creating a favorable impression with the rating company.

"The value of business insurance is coming in for more and more consideration in the assignment of ratings, especially in regard to that part of the rating which pertains to the subject's inclination and ability to meet its maturities.

"The success of a larger number of business ventures, even among the larger corporations is often dependent largely upon the ability and efforts of one individual who is the guiding hand of the enterprise. Such a concern is viewed with far greater confidence if insurance is carried on the life of that executive in an amount large enough in case of his death to carry the concern through the necessary period of adjustment until a re-organization can be completed and his place is filled by another executive of equally high calibre. If the insurance is absent and the concern does not own sufficient reserves in its own name to meet such a contingency, it often results in the lowering of the credit rating and in some cases may be reflected in a more marked decrease of the company's condition. When the success of the concern depends upon one man, a rating company cannot help but increase and reflect as far as possible in its reports the fact that any business reversals or loss through the death of its chief executive is amply guarded against. A new venture guided by one executive perhaps not far enough through the formative state to show what would ordinarily be a comfortable margin of working capital, reserves for contingencies, yet reasonably assured of the company's ultimate success and regarded with confidence because of the ability and reputation of its entrepreneur—would quite properly be assigned a lower rating than an old concern with a better established business less dependent upon any one individual, but should such a concern carry life insurance sufficient to carry it through such a contingency as the death of its manager, it can with all propriety be assigned the higher rating.

Standard Opens Branch

The Standard Bank of Canada announces the opening of a branch at Saskatoon, Sask., under the management of H. L. Allingham, formerly manager at Lethbridge, Alta.

Monthly Bank Clearings

(In comparison with same month last year).

Eastern Cities

	May, 1926	May, 1927
Halifax	$12,270,891	$13,487,003
St. John	11,194,760	12,048,786
Moncton	3,774,010	3,901,543
Sherbrooke	3,668,092	4,053,779
Quebec	24,153,747	28,570,718
Montreal	480,735,065	580,729,451
Ottawa	31,772,647	33,146,154
Toronto	430,805,794	544,405,365
Peterboro'	3,649,081	4,009,805
Chatham	3,367,585	3,554,294
Hamilton	21,785,661	......
London	12,021,816	13,645,735
Brantford	4,271,588	5,139,182
Kingston	3,199,773	3,658,208
Kitchener	4,390,383	5,803,733
Windsor	19,435,056	22,255,730

Western Cities

	May, 1926	May, 1927
Fort William	4,078,935	3,981,280
Winnipeg	218,018,420	222,516,415
Regina	18,838,896	18,750,986
Moose Jaw	4,192,317	4,929,102
Saskatoon	7,678,531	8,149,265
Prince Albert	1,647,710	1,684,468
Lethbridge	2,113,483	2,175,288
Edmonton	21,951,856	22,593,213
Medicine Hat	1,206,895	1,200,031
Calgary	26,121,521	28,972,514
Vancouver	70,703,273	78,887,871
Victoria	9,473,115	10,492,265
N. Westminster	3,367,512	3,702,722
Brandon	......	2,405,308

Weekly Bank Clearings

(In comparison with the same week last year)

(Eastern Cities)

	May 27, 1926	May 26, 1927
Halifax	$ 2,348,231	$ 2,901,872
St. John	2,255,566	2,348,252
Moncton	733,410	779,882
Quebec	4,956,027	(not avail.)
Sherbrooke	786,940	600,196
Montreal	93,933,741	91,079,603
Ottawa	4,693,560	5,190,856
Kingston	491,265	740,999
Peterboro'	714,160	780,903
Sarnia	450,374	(not avail.)
Toronto	75,442,931	94,045,114
Hamilton	4,099,551	(not avail.)
Brantford	860,085	1,107,344
London	2,149,573	2,619,327
Kitchener	929,832	903,296
Chatham	739,679	734,599
Windsor	3,529,583	4,728,558

WESTERN CITIES

	May 27, 1926	May 26, 1927
Fort William	$ 851,452	$ 794,545
Winnipeg	42,348,688	42,456,522
Brandon	452,572	462,464
Regina	3,452,606	3,209,332
Moose Jaw	858,886	942,042
Prince Albert	320,938	320,294
Lethbridge	398,511	363,193
Calgary	5,398,797	5,662,188
Edmonton	3,797,522	4,698,623
Medicine Hat	251,086	194,199
New Westminster	782,086	748,513
Vancouver	15,334,173	15,894,359
Victoria	1,689,017	1,722,393
Saskatoon	1,459,438	1,540,959

WEYBURN SECURITY PROFITS ARE HIGHER

Year 1926 Saw Considerable Advance Made by Smallest Canadian Bank

Some improvement in the Southern Saskatchewan area of Western Canada would seem to have been shown in 1926, to judge by the report of the Weyburn Security Bank for the year to December 31 last. Profits increased slightly and the amount accruing to profit and loss account after dividends was substantially increased, as the following comparative figures indicate:

Income and Surplus Account, Years Ending Dec. 31.

	1926	1925	1924
Profits	$48,897	$44,605	$46,601
Less:			
Taxes	7,196	7,449	8,015
Written Off	4,700	9,270	6,938
Net Profits	$37,001	$27,886	$31,648
Dividends	26,228	26,228	26,228
Surplus for Year	$10,773	$1,658	$5,420
Prev. Balance	22,186	20,527	15,108
Bal. Carried For.	$32,959	$22,185	$20,528

Assets of the bank showed a good increase in the year and both savings deposits and current loans were up. Comparative figures analyzed by The Financial Post follow:

Immediately Available Liquid Assets

	1926 $	1925 $	$
Specie	23,877	20,003±	3,874
Dom. Notes.	52,406	58,485—	6,079
Note Cir. D.	27,533	26,731+	802
Notes, Bank	21,520	20,965+	555
Bank Bal.	1581,870	1,788,309—	206,439
Do., Abroad	61,661	201,173—	139,512
Gov't Secs.	931,461	647,543+	283,918
Cheques	66,559	59,097+	7,462
For. Curr.	1,060	1,970—	910
Gold Res.	350,000	400,000—	50,000
C. L. Abroad	300,000	......+	300,000
	3,417,947	3,224,276±	193,671
% Total Assets	51.3	54.7—	3.4
% T. L. to Pub.	58.3	63.1—	4.8
Other Assets			
Pub. Secs.	9,315	9,315	......
Other Secs.	324,291	209,846+	114,445
Curr. Loans	1,905,079	1,727,233+	177,846
Do., Abroad	301,331	......+	301,331
Mun. Loans	4,969	11,227—	6,258
Real Estate	177,867	185,408—	7,541
Mortgages	134,256	94,855+	39,401
Premises	249,615	241,734+	7,881
Non-curr. Loans	42,764	99,549—	56,785
Other Assets	92,567	90,491+	2,076
	3,242,054	2,669,658+	572,396
Total Assets	$6,660,001	5,893,934+	766,067
Liabilities to Public			
Circulation	838,740	858,912—	20,172
Dem. Deposits	2,277,207	1,935,093+	342,114
Savings Dep.	2,590,652	2,180,546±	410,106
Due Banks	21,844	19,318+	2,526
Due Dom. Govt.	60,538	64,605—	4,067
Due Prov. Govt.	53,558	31,058+	22,500
Other Liab.	21,829	18,942+	2,887
	5,864,368	5,108,474+	735,894
Liabilities to Shareholders			
Capital	524,560	524,560	......
Reserve	225,000	225,000	......
Dividends	13,114	13,714—	600
Balance	32,959	22,186+	10,773
	795,633	785,460+	10,173
Total Liab.	6,660,001	5,893,934±	766,067

DOMINION BANK

The Dominion Bank announces the following staff appointments: J. W. Ritch, formerly manager at Yonge St. Terminal branch, Toronto, has been appointed manager at Dufferin St. and Lappin Ave. branch, Toronto, and is succeeded at Yonge St. Terminal branch by R. T. E. Hicks-Lyne; F. W. Slatter has been appointed acting manager at West Toronto branch.

Provincial Bank

The Provincial Bank of Canada has just opened a new branch at Windsor, Ont., under the management of J. M. Duckett, formerly manager of their Pembroke branch. This new office is located in the district where will be the Canadian end of the international bridge to be built between Windsor and Detroit.

Your Catalogue—is it up-to-date?

The tattered old catalogue with its torn sheets, antiquated illustrations and useless price lists often proves more of a hindrance than a help in selling. And yet many a manufacturer permits it to remain as his representative.

Wise executives know well the selling power of well-arranged attractive catalogues, and issue revised ones at regular intervals. *Do you?*

The power of printed salesmanship is immeasurably great. Your printer can help you. Use him.

MADE IN CANADA

HOWARD SMITH PAPER MILLS LIMITED
MONTREAL, CANADA

11

Tuckett's Position Improving

HAMILTON—Directors and shareholders of Tuckett Tobacco Co. at the annual meeting expressed the belief that the position of the company would continue to improve. Howard S. Ambrose was re-elected president and Earle Spofford, vice-president. Other directors are Gen. the Hon. S. C. Mewburn, C.M.G., W. E. Phin, C. S. Wilcox, H. H. Champ, T. B. Yuille, R. M. Ellis, Sir Herbert S. Holt, Sir Charles Gordon, C.B.E., and J. J. Markham, secretary-treasurer.

RAILWAY EARNINGS

Canadian National

Week end.	1927	1926	Change
May 21	$5,089,152	$5,209,837—	$120,685

CANADIAN GUARANTY TRUST CO.

Acts as Executor, Administrator, Trustee, Guardian, Agent and in any other Fiduciary capacity.
Official Administrator for the Northern Judicial District in Manitoba and for the Swift Current Judicial District in Saskatchewan.

Head Office: BRANDON, MAN.
Branch Office: Swift Current, Sask.
JOHN R. LITTLE Managing Director.

Do You Know What Your Competitors Are Doing?

If you are a manufacturer you should know what dealers are advertising your products, what dealers are advertising your competitors' products.

We supply news items and data on any subject that is appearing in the Canadian, United States and English newspapers and periodicals.

Let us keep you informed of the latest developments in your own line of business as they appear. Write us for rates, our charges are reasonable.

Canadian Press Clipping Service
143-153 University Ave., Toronto, Ontario

CANADA PERMANENT MORTGAGE CORPORATION

Quarterly Dividend

Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of TWELVE PER CENT. PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable SATURDAY, THE SECOND DAY OF JULY next, to Shareholders of record at the close of business on the Fifteenth day of June.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, May 18th, 1927.

LAKE OF THE WOODS MILLING CO. LTD.
Makers of FIVE ROSES FLOUR

Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat

CAPACITY, 20,000 BARRELS DAILY

President and Managing Director: FRANK S. MEIGHEN, C.M.G.
Vice-President & Gen'l. Manager: WM. W. HUTCHISON.

Directors:
R.M. BALLANTYNE, TANCREDE BIENVENU, HON.SIR LOMER GOUIN, K.C.M.G. GEO. V. HASTINGS, WALTER MOLSON, R. W. REFORD, ABNER KINGMAN, J. K. L. ROSS; N. J. BREEN.
Secretary, M. H. HUTCHISON; Treasurer, T. F. McNALLY; Asst. Treasurer, A. C. McMILLAN.

P. LYALL & SONS

CONSTRUCTION COMPANY, LIMITED

Fifteenth Annual Report for the Year Ending March 31st, 1927

ASSETS

PLANT—Montreal, Ottawa, Toronto, Thorold, Esquimalt			$452,234.34
Government Plant—			
Welland Canal	$1,303,416.12		
Less Amortized	1,303,416.12		
BUILDINGS—Montreal		$148,252.74	
REAL ESTATE		770,070.84	
			1,370,557.92
Patent Rights, Goodwill, etc.			996,909.89
Dominion Government Bonds and other Securities			371,936.18
Cash on Hand, Banks, Head Office and Branches			85,227.50
Stocks on Hand			35,043.66
Work in Progress			507,017.67
Deposits on Contracts			700,000.00
Accounts Receivable			630,865.66
Miscellaneous Assets			119,890.40
			$4,817,448.88

LIABILITIES

CAPITAL STOCK:—			
Seven Per Cent. Cumulative Preferred:			
Authorized 15,000 Shares of $100.00 each		$1,500,000.00	
Issued			$1,300,000.00
COMMON:—			
Authorized 17,500 shares of $100.00 each		1,750,000.00	
Issued			1,750,000.00
SIX PER CENT. FIRST MORTGAGE, TWENTY YEAR GOLD BONDS:—			
Authorized and Issued		1,250,000.00	
Less Bonds retired		786,600.00	
			463,400.00
Open Accounts Payable		53,424.21	
Sub-contractors Balances and Drawbacks		16,740.07	
			70,164.28
Bills Payable		50,432.00	
Accrued Interest on Bonds to end of Fiscal Year		4,634.00	
Accrued Dividends on Preferred Stocks to end of Fiscal Year		15,166.66	
			70,232.66
Bank Loans—For Deposits			650,000.00
ADD:—			
Earnings as per Profit and Loss Statement		234,428.10	
LESS:—			
Bond Interest	$29,410.00		
Preferred Dividends	91,000.00		
Bond Redemption	80,000.00	200,410.00	
		$ 34,018.10	
ADD:—			
Amount at Credit of Profit and Loss, March 31st, 1926		479,633.84	
			513,651.94
			$4,817,448.88

Audited and found in accordance with the books and vouchers of the Company. The stocks in trade have been inventoried and certified by the proper officers. We have examined the Stocks and Securities. All our requirements as Auditors have been complied with.

Approved:
WILLIAM LYALL, H. W. BEAUCLERK, Directors.
WRIGHT & KINGAN, Per GORDON B. KINGAN, C.A., Auditors.

PROFIT AND LOSS ACCOUNT
As at March 31st, 1927

EARNINGS—		
After deducting Rent, Insurance, Taxes, General Expense, etc.		$234,428.10
APPROPRIATED AS FOLLOWS:—		
Bond Interest to end of Fiscal Year	$29,410.00	
Preferred Dividend to end of Fiscal Year	91,000.00	
Appropriation for Bond Redemption	80,000.00	
		200,410.00
		$ 34,018.10
Amount at Credit of Profit and Loss—Year ending March 31st, 1926		479,633.84
Surplus		$513,651.94

Audited and Verified:—WRIGHT & KINGAN, Per Gordon B. Kingan, C.A., Auditors.

GENTLEMEN:—

Your Directors herewith submit the 15th Annual Statement of your Company for the year ending March 31st, 1927.

After deducting all the fixed charges, the gross earnings were $234,428.10, from which the following amounts have been appropriated: Bond Interest, $29,410.00; Preferred Dividends, $91,000.00; and Appropriation for Bond Redemption, $80.000.00; leaving a balance of $34,018.10 to be carried forward to Profit and Loss. The total surplus now stands at $513,651.94.

The worst weather conditions in the history of the Welland Canal during the past season affected production, as evidenced by our earnings.

Settlement of excess wages and other claims has been long delayed, but we now expect satisfactory consideration.

The Steel Gates Contract is well under way.

Conditions throughout Canada have vastly improved and a favourable amount of new business can be anticipated.

Your Directors take this opportunity of expressing their appreciation of the loyal services and efficient work of the staff and employees of the Company.

Submitted on behalf of the Directors.

WILLIAM LYALL,
President.

MONTREAL, May 16th, 1927.

MANUFACTURERS FEAR SUGGESTED GERMAN TREATY

Point to German Competition Now With Canadian Industries

From Report of Tariff Committee, Canadian Manufacturers Association.

Although there is no official confirmation, it has been rumored that Germany is seeking to negotiate a trade agreement with Canada.

In such negotiation Germany is certain to ask for reductions of the Canadian Customs tariff on manufactured goods which she wishes to export to this country. The effect of such reductions on Canadian production may be estimated by a study of the list of articles shown below which, even under the present tariff rates, are imported into Canada. It will be observed from this list that Germany's exports to Canada are competitive goods.

Canada Cannot Bargain

Countries with high tariffs are always in a position to bargain with other countries for trade concessions without hurting their own industries.

But a country like Canada which has a low tariff cannot make reductions in exchange for concessions, without injuring some of her own producers.

It has always been the policy of Germany to stimulate her exports, particularly of manufactured goods, through bargaining tariffs, cartels, and special freight rates, and if a trade agreement is negotiated with Canada we can certainly expect greatly increased competition from German made goods.

Manufacturers of rubber, n.o.p.
Beet and mangold seed.
Fancy feathers, n.o.p., and manufactures of feathers, n.o.p.
Fur skins, wholly or partially dressed, n.o.p.
Hatters' fur, not on the skin.
Candles, n.o.p.
Damask of cotton in the piece, uncolored, including uncolored tablecloths and napkins of cotton.
Cotton fabrics, yarn or piece dyed, n.o.p.
Cotton fabrics, printed, n.o.p.
Lace, n.o.p., lace collars and all manufactures of lace nets and nettings of cotton, linen, silk or other material, n.o.p.
Manufactures of cotton, n.o.p.
Damask of linen in the piece, etc.
Carpeting; rugs, matting and mats of hemp or jute.
Doilies, tray cloths, sheets, quilts, counterpanes and pillow cases of linen.
Ribbons of all kinds and materials.
Silk fabrics, n.o.p.
Carpets, Axminsters, all kinds, in squares.
Carpets, Brussels and Wilton, all kinds, in squares.
Mats and hearth rugs, up to 3 ft. x 6 ft. and runners.
Worsted and serges including coatings.
Felt, pressed, of all kinds, not filled or covered by or with any woven fabric.
Cassimeres, cloths, doeskins, and all fabrics and manufactures composed wholly or in part of wool, worsted, etc., n.o.p.
Artificial silk yarns, singles, uncolored.
Artificial silk tops and waste.
Artificial silk yarns, n.o.p.
Artificial silk fabrics.
Manufactures of art silk, n.o.p.
Plush fabrics, n.o.p.
Wooden furniture.
Manufactures of wood, n.o.p.
Wrapping paper of all kinds, n.o.p.
Papeteries and ruled border and boxed papers.
Albumenized and other papers and films, chemically prepared for photographers' use.
Greaseproof, parchmentine, glassine, onion skin and manifold paper, not coated or embossed.
All kinds of paper, n.o.p.
Boxes or containers of paper, printed, or not.
Manufactures of paper, n.o.p.
Photographs, chromos, chromotypes, artotypes, oleographs, paintings, drawings, pictures, decalcomania transfers of all kinds, engravings or prints, or proofs therefrom, and similar work of art, n.o.p., blueprints and building plans.
Labels, tags, tickets, etc.
Blank books, with paper ruled or plain.
Rolled round wide rods in the coil, of iron or steel, not over ⅜ in. in diam., when imported by wire manufacturers, for use in making wire in the coil in their own factories.
Wire, curved or not, galvanized iron or steel, Nos. 9, 12 and 13 gauge, with variations not exceeding 4/1000 of an inch, and not for use in telegraph or telephone lines.
Wire of iron and steel, all kinds, n.o.p.
Cultivators and weeders and parts.
Knives and forks of steel, n.o.p.
Locks of all kinds.
Adding and calculating machines.
Machinery, logging cars, blocks and tackle, and complete parts thereof, for logging purposes exclusively.
Machinery, n.o.p.
Agate, granite, or enamelled iron or steel ware.
Tinware, japanned or not, and all manufactures of tin, n.o.p.
Augers, bits and drills.
Hand tools, of all kinds, n.o.p.
Manufactures of iron or steel, n.o.p.
Aluminum kitchen hollow ware, n.o.p.
Manufactures of aluminum, n.o.p.
Wire cloth or woven wire of brass, n.o.p.
Manufactures of brass, n.o.p.
Copper wire cloth, or woven wire of copper.
Nickel-plated ware, n.o.p.
Clocks.
Lamps, electric, incandescent, carbon filament.
Lamps, electric, incandescent, metal filament.
Electric light fixtures and parts thereof, metal.
Radio and wireless apparatus, n.o.p.
Glass carboys or demijohns, bottles, n.o.p.
Decanters, flasks, jars or phials.
Table glassware, etc.
Lamp chimneys, glass shades or globes.
Common and colorless window glass.
Silvered glass, bevelled or not, framed or not.
Manufactures of glass, n.o.p.
Manufactures of granite, n.o.p.
Insulators, electric, n.o.p.
Salt, n.o.p., in bags, barrels, and other coverings.
Brocade and bronze powders.
Oxides, fire proofs, rough stuffs, fillers, and colours, dry, n.o.p.
Alcoholic perfumes, toilet preparations, etc., in flasks containing not more than 4 ounces.
Toilet preparations, non-alcoholic.
Toilet soap, n.o.p.
Bagatelle and other game tables or boards.
Dolls of all kinds.
Toys of all kinds.
Brushes, toilet.
Brushes, all other, n.o.p.
Braids, cords, fringes, tassels, n.o.p.
Buttons of all kinds, covered or not, n.o.p.
Cases for jewellery, watches, silverware, plated ware, and cutlery.
Combs.
Jewellery, n.o.p.
Pocket books, portfolios, purses, reticules, satchels, card cases, fly-books and musical instrument cases and parts.
Lamp shades, n.o.p.
Pianofortes.
Parts of piano.
Phonographs, etc., and parts of.
Cameras and camera parts, n.o.p.
Statues and statuettes of any material.
Baskets of all kinds, n.o.p.
Boxes, fancy, ornamental cases and writing desks.
Alabaster, spar, amber, terra-cotta or composition ornaments.
Pencils, lead.

Suggest Widening of Scope of Industrial Disputes Law

From Report of Industrial Relations Committee, Canadian Manufacturers Association.

The British Columbia Legislature in December, 1925, passed a Minimum-Wage-For-Men Act providing for the setting up of a commission with power to establish a minimum wage for all men over twenty-one in any industry in the province except farming, fruit picking, packing or canning, and domestic service. The measure was vigorously opposed by both industrial and agricultural organizations, but in vain.

When the first order of the commission fixing 40 cents per hour as the minimum rate of wage in the lumber industry became effective on the 1st of November, 1926, it was ignored by the employers affected who took the position that the act provided for a fixing of minimum wages for various "occupations," such as those of engineers, blacksmiths, etc., throughout the province, and not for the fixing of a minimum wage for a number of different occupations within a particular industry. In the result, the order of the commission was held to be valid by the British Columbia court of appeal. From its decision it is understood that an appeal is to be taken to the Supreme Court of Canada.

First One in Canada

The British Columbia Act is the first Minimum-Wage-for-Men legislation in Canada, and apart from the technical legal objections raised by the British Columbia employers, there is, of course, the solid and substantial ground of opposition, that such legislation will inevitably prove a serious handicap upon British Columbia industries in competition with competing industries in other provinces of Canada and in the United States, where no such minimum wage legislation exists.

It goes without saying that your committee is watching with great interest the fate of the first Minimum-Wage-for-Men legislation which has been attempted in Canada.

Survey Field in Ontario

It was proposed early in 1926 that the scope of the Ontario Minimum Wage Act should be extended to include boys under eighteen.

The attitude adopted by the association was that before any such action was taken a careful survey should be made of the situation throughout the province with a view to determining what need, if any, existed for such a change, and what the effect would be upon the boys themselves.

The reasonableness of this attitude was recognized by the government and Minimum Wage Board with the result that a survey of the kind proposed is at present being carried out by a member of the Minimum Wage Board. Upon its completion the question of further action, if any, will be considered by your committee in the light of the conditions disclosed.

Workmen's Compensation Legislation

The new Quebec Workmen's Compensation Act passed at the last session which was to have come into force on April 1st, 1927, did not do so, because of the serious difficulties that arose over the question of insurance. The Act required all employers to become insured with recognized insurance companies or to make a deposit or file a guarantee bond with the government. The rates quoted by the private insurance companies were not acceptable to the employers who proceeded to organize a mutual insurance company of their own, at the same time requesting the government to set up a rate control board similar to that which is in operation in New York State. Owing to lack of time to work out a proper solution of the difficulty before the end of the session, the government decided to postpone the coming into force of the new act for a year. The result is, of course, that the old act remains in force.

Legislation in Alberta

A vigorous effort was made by the Alberta Federation of Labor at the last substantial increases in the compensation benefits, including the following: (1) Increase of widow's allowance from $35 to $50 per month, (2) dependent children to be allowed compensation up to the age of eighteen instead of the age of sixteen and (3) the maximum annual compensation to be increased from $1,140 to $1,250.

These increases were strongly opposed by the Alberta branch of the association and certain counter amendments were put forward.

In the result the employers carried their point, the government contenting itself with appointing a special committee consisting of five representatives each of the legislature, the employers and the employees, to investigate during the recess and report at the next session.

Eight-Hour Day in Canada

The only Canadian province which has so far attempted to follow the example of British Columbia in passing eight-hour day legislation is Alberta. At the 1926 session of the Alberta legislature it will be recalled that strenuous efforts were made by the Alberta Federation of Labor to have an eight-hour day clause inserted in the new Consolidated Factory Act. This attempt, it will also be recalled, was defeated by the efforts of the association's Alberta branch, the government contenting itself with appointing a commission to enquire into the matter during the recess. The majority report of this commission tabled during the past session advises the government that it would be unwise for Alberta at the present time to limit its working day to eight hours. The chief reasons given by the majority commissioners for this view are: (1) that "so many of the more important industries in Alberta are closely related to agriculture and thus are seasonal in nature, and (2) that such restriction of working hours would greatly hamper many of the industries outside Alberta where no restriction obtains."

Fight Union Label Bill

At the past session of parliament a bill was introduced by the Minister of Labor enabling trade unions to register their union labels under the Trade Mark and Design Act. The object of the bill is to give trade unions protection against unauthorized and fraudulent use of their union labels.

This, your committee, acting in consultation with the legislation committee, decided to oppose.

The bill having passed the House of Commons without a dissenting voice, in spite of efforts made to point out its dangers, your committee took all possible steps to fight it in the Senate. In spite, however, of the strenuous opposition of some of the leading members of the senate, the bill was finally reported by the Banking and Commerce Committee with a few minor amendments and passed third reading. As a last resort an amendment was proposed limiting the application of the bill to trade unions which become incorporated, but this was defeated by a small majority.

This result, in the opinion of your committee, is to be regretted. At the very least, your committee feels, if trade unions are to be given a property right, they ought to assume the full legal responsibilities that, in the case of everyone else, go with it.

Industrial Disputes Investigation Act

This act, better known as the Lemieux Act, having now been in force for 20 years, your committee feels how it may be of interest to consider how it has worked. The facts are that in 93.9 per cents of the 597 disputes which have been dealt with under the act since its inception in 1907, strikes have been averted or ended. It is also worthy of note that there has been a striking increase in the number of cases in which the parties voluntarily invoked the Act to settle disputes which did not actually come within its scope, wihich is, of course, limited to disputes in mines, railways, and public utilities. The figures are that during the period 1907 to 1919, only 23 disputes other than in mines, railways and public utilities were brought under the Act by the consent of the parties,—i.e., 6 per cent. of the total number dealt with; on the other hand, from 1920 to 1923, 42 disputes were referred by consent, i.e., 19 per cent. of the total. In addition during the period 1920-23, 21 disputes involving workmen under municipal or provincial control were dealt with under the act by consent. Of these 86 disputes there were only two in which a strike was not averted or ended.

Your committee notes with interest that a bill has recently been introduced in England embodying the principles of the Lemieux Act, also that in Australia the employers are looking in the same direction.

In view of the fairly substantial measure of success of the Act within its limited field, the question is raised from time to time whether it might not with advantage be extended to apply to employment in general. On this point your committee agrees with the British view referred to earlier in this report, that while the act has proved a success as applied to disputes in great public utilities, the stoppage of which would seriously prejudice the general public, it would not be wise to extend its application to disputes in general industry.

Canadian Trade Leads All Nations in Trade Rise

From Report of Commercial Intelligence Committee, Canadian Manufacturers Association.

It is not without interest to refer briefly to the general trend of trade. One of the most noticeable developments is the steady growth of Canadian export trade and with this progress, improved shipping and banking facilities, increased interest in overseas exhibitions, a more intensive study of foreign markets, export procedure and export costs.

In 1900 our total exports were valued at $168,927,301.

In 1926 they were $1,274,362,118, an increase of over 670 per cent., and during this same period the export of manufactured goods increased 2,926 per cent.

In the twelve months ending February, 1927, the value of Canada's foreign trade amounted to $2,295,571,193 or to more than $250 per capita as compared with a foreign trade of less than $150 per capita for the United Kingdom and less than $100 per capita for the United States.

World trade has not yet recovered to a point where it has surpassed the volume of 1913, and it may be some years before it catches up with the normal growth which might have been expected in these intervening years, but Canadian external trade has now a value in terms of pre-war prices at least 25 per cent. ahead of 1913. It is also of interest to note that, in a statement recently compiled by the National Foreign Trade Council of New York, Canada led all nations in increased trade since 1913. The Dominion according to their figures headed the list with an increase of 85 per cent, Australia followed with an increase of 45 per cent. and the United States with an increase of 31 per cent. As is the case with domestic trade, so, in export there are ups and downs from year to year, but the general trend is still towards recovery and increase.

T. H. & B. Directors Re-elected

HAMILTON—T.H. & B. directors re-elected at the annual meeting held today are: P. E. Crowley, New York; A. H. Harris, New York; William L. Scott, Ottawa; Edward W. Beatty, Montreal; Grant Hall, Montreal; A. D. MacTier, Montreal; Edmond D. Bronner, Detroit; William D. Torrance, Toronto; William K. Vanderbilt, New York; Dyce W. Saunders, Toronto, and John N. Beckley, Rochester.

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Ask That All Invoices For Canada Be Vised

From Report of Commercial Intelligence Committee, Canadian Manufacturers Association.

There are now twenty-six different countries that insisted on vised invoices covering goods moving from any other country as imports into their own. Consular or other officers located in the country of origin vise the invoices and charge a fee ranging from $2.40 to a percentage as high as 5 per cent. of the value of the invoices for the consular vise. In this way many of these countries produce an additional revenue that enables them in many cases to make their consular and trade commissioner service self sustaining.

It is felt that if such a system were introduced by the Canadian government covering imports from all non-British countries obtained, part of which it is reasonable to expect should be earmarked for expenditure on an increased government Commercial Intelligence Service. The advantages that this system has are, that supervision of these invoices helps to prevent undervaluation of imports and helps to prevent the shipment of stolen goods. The vise officers of other countries retain copies of the invoices they examine. If the same methods were followed in a Canadian system the retention of these invoices would provide a great fund of information valuable for customs purposes, and a summary of the information contained in these invoices would be highly valuable in determining where competition in certain lines was coming from and would enable Canadians to devise ways and means of meeting this competition.

An analysis of the imports of the leading countries with which we do business has been made. Omitting British countries entirely and taking an average invoice value of five hundred dollars, and in the case of the United States an average invoice value of $2,000 a conservative estimate of the revenue obtained would amount each year to $1,272,000 at $2.50 per invoice. These are arbitrary figures that do less than justice to the revenue obtainable from this source.

It is recognized that facilities for viseing these invoices in foreign countries would have to be provided by the Canadian government. It is suggested, however, that the cost of having the invoices vised can be kept down to a very low figure annually provided reputable Canadian business men engaged in business in foreign countries or employed by Canadian railway and steamship companies in foreign countries are utilized as agents for this purpose by the Canadian government. It is understood that serious consideration would be given by the government to a proposal and your committee strongly recommends that representations be made to the government with respect to the working out of a plan on some such lines as those indicated in this report. This recommendation will probably be presented formally for your approval in the form of a resolution.

Quebec Reforestation

Over 1,600,000 trees are to be planted on government lands in the Province of Quebec this year by the Department of Lands and Forests.

APPRAISALS REPORTS
INVESTIGATIONS
Industrials—Public Utilities—Natural Resources

How do you write off Depreciation?

THERE is only one accurate, sound method of determining depreciation—and that is by an examination of the property itself, and the testing of this examination by standards which are complete and in absolute accord with sound business principles.

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May Building Values Less Than Year Ago

Construction contracts actually awarded during the month of May totaled in value $46,758,500. This total shows a normal seasonal increase over the estimated value of contracts let during April which were valued at $38,582,300. In comparison with May last year, however, there is a decrease of about $10,000,000. While this decrease is important, it is noteworthy that the value of the new building undertaken last month is the fourth highest recorded since 1912.

During the month contemplated new work was reported to the value of $43,122,600, according to MacLean's Building Reports, Ltd. Work reported as contemplated up to June 1 is in excess of that for the same period in 1926 by over $100,000,000, indicating a large volume of contracts still to be undertaken.

Building contracts are more numerous just at this time than for many years. In value they about equal those of 1926. The May contracts awarded total $46,758,500, was principally made up of awards in the province of Ontario which accounted for 42 per cent. of all construction with a total of $19,618,100.

For the year to date the arrangement is business buildings, $54,283,200 or 39 per cent.; residential, 32.3 per cent. or $44,887,700; engineering, $24,518,000 or 17.6 per cent., and industrial, 11.1 per cent. or $15,406,300.

Dominion Textile Does Not Change Dividend

From Our Own Correspondent.

MONTREAL.—The much heralded dividend meeting of the directors of the Dominion Textile Company took place this week and no increase in the dividend rate was declared, despite the fact that for weeks past some daily papers, financial papers and financial bulletins have been forecasting increased dividends for the shareholders of the company.

Because an increased dividend was not declared, the stock reacted a point or two, but the reaction was slight and the stock recovered itself, for investors feel that, increased dividend or no increased dividend, the physical, financial and earning power position of the company remains just as strong, if not stronger than ever.

Mennonites for Peace River

Representatives of the Mennonite colony in Manitoba recently left for Peace River to investigate the desirability of homesteading in that district. If present plans are put into effect, about 25,000 of these people are expected to move into the Peace River country.

Announcement

WE WISH TO ANNOUNCE THE FORMATION OF THE INVESTMENT BANKING HOUSE OF

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WHERE A GENERAL BOND AND BROKERAGE BUSINESS WILL BE CONDUCTED.

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ANNOUNCEMENT

We beg to announce that the business formerly conducted under the name of McCoo, Padmore & Co. (Investment Bankers) has been taken over by Mr. W. R. McCoo and Mr. R. J. Gee, who has been admitted as a partner and will now be known as

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Toronto
May 27, 1927

CANADIAN INDUSTRIAL DEVELOPMENT

Realizing the growing importance of Canada's resources of industrial raw materials and minerals to supply the present needs of manufacturers and to form the basis of new industries the Canadian Pacific Railway maintains an organization to assist manufacturers and shippers and to further industrial development along its lines.

Through this organization you can obtain full and reliable information as to Canada's resources and the raw materials which you require for the manufacture of your products.

Information and assistance also given to those seeking location for their business or plants or looking for extensions of existing industries. Under this latter heading data can be supplied on industrial sites, empty warehouses, manufacturing and labour and other conditions.

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